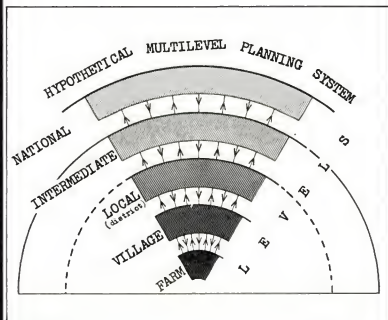


# Toward improved multilevel planning for agricultural and rural development in Asia and the Pacific

FAO  
ECONOMIC  
AND SOCIAL  
DEVELOPMENT  
PAPER

52



FOOD  
AND  
AGRICULTURE  
ORGANIZATION  
OF THE  
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FOREWORD

The trend toward multilevel planning, particularly in agricultural and rural development appears well established in the developing countries. Planning and programming for increased production and productivity in different areas of a country, for instance, cannot be prescribed in a blanket fashion from above but has to take into account the capabilities, and peculiarities of the various subnational areas. It would call for considerable experimentation, adaptation, trial and flexibility according to regional and local environments. In the wider field of rural development too, the major aim of raising the incomes of those living below the poverty line cannot be realized without a proper understanding of local resources, potential and other constraints, and particularly the social processes at the local level. Some of the programmes -- such as population control, primary education, social welfare and rural-works programme -- cannot be effectively implemented except through a decentralized approach. The harmonious and effective linking of national objectives and strategies with sectoral programmes, and of central plans with local plans requires an integrated multilevel approach.

This document attempts to formulate some guiding principles for the practice of improved multilevel planning in agricultural and rural development. Decentralization in decision-making to subnational levels is the nucleus of a multilevel planning system. The purpose here is to assist Member Countries in their efforts to increasingly decentralize their planning and development activities in agricultural and rural development, so that these may be in better tune with the needs, potential and possibilities of their subnational areas. The approach has been developed after taking note of the decentralization processes already adopted in multilevel planning systems and trends observable in several countries in Asia and the Pacific region.

Decentralization is a hard prescription and its effective operationalization in any country presents considerable challenges. It is felt that such challenges can be better met through informed understanding. Although the results of the present study derive from particular country experiences in Asia and the Pacific, they also have meaningful implications for other regions as well.

There is no single path to decentralization. This document therefore does not venture to prescribe how a particular country should go about the various tasks implied in decentralization. Its purpose is more modest. It seeks to present some general concepts and approaches, to offer specific alternatives that have worked satisfactorily in particular situations, and to provide additional sources of information. Because of the diversity of conditions obtaining among Member Countries, each country must

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decide on its own approach, methods of organization, staffing, training and ways of securing a decentralized pattern of planning and development with due regard to the circumstances prevailing in its particular context. Thus, the task of designing and developing more detailed guidelines or manuals is left to the individual countries in accordance with their norms and understanding of their country situation.

Although the major thrust of this approach document is the decentralization of decision making for agricultural and rural development, such decentralization has to be conceived within the context of the decentralization of overall planning. For example, when certain ministries delegate authority on particular matters to their offices at some subnational level and others do not, it creates serious problems, as it deters sectoral functionaries -- who do not enjoy the delegation of authority -- from committing their agencies to decisions arrived at in the common coordination committee meetings. The move toward decentralization needs therefore to be synchronized, coordinated and comprehensive.

It is hoped that this document, which has been prepared as a followup to the recommendations made by the WCARRD Conference of FAO (July 1979, Rome), and the FAO Expert Consultation on Multilevel Planning (February 1983, Bangkok), will assist the decentralization process -- a process already incipient and manifest in several countries today and gaining the character of a movement.



H.W. Hjort  
Director  
Policy Analysis Division

Toward Improved Multilevel Planning for Agricultural and Rural  
Development in Asia and the Pacific

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## LIST OF ABBREVIATIONS

ACC	Administrative Committee on Coordination
APB	annual plan budget
APROSC	Agricultural Project Services Centre (Nepal)
ARDC	agricultural and rural development council
ARTEP	Asian Regional Team for Employment Programme
CADP	Command Area Development Programme (India)
CDO	chief district officer (Nepal)
CIS	comprehensive information system
DAP	Desert Area Programme (India)
DAP	district administrative plan (Nepal)
DDA	divisional development authority (India)
DDC	divisional development committee (Fiji)
DDP	District Development Plan (Nepal)
DPAP	Drought-Prone Area Programme (India)
DRDA	district rural development agency (India)
DSE	German Foundation for International Development
ESCAP	Economic and Social Commission for Asia and the Pacific
FARD	the Ministry of Fijian Affairs and Rural Development
FYP	five-year plan
HADP	Hill Area Development Plan (India)
IAD	integrated area development (the Philippines)
IAMSAS	Integrated Area Management for Agricultural Services (the Philippines)
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
INPRES	presidential grants (Indonesia)
IPDD	Integrated Panchayat Development Design (Nepal)
IRD/IRDP	integrated rural development (programme)
IRP	Integrated Reorganization Plan (the Philippines)
LDO	local development officer (Nepal)
LKMD	local development committee (Indonesia)
MAF	the Ministry of Agriculture and Fisheries (Fiji)
MLP	multilevel planning
MNP	minimum-needs programme (India)
MP	national panchayat member (Nepal)
NACIAD	National Council on Integrated Area Development (the Philippines)
NEDA	National Economic and Development Authority (the Philippines)
NFAC	National Food and Agriculture Council (the Philippines)
NREP	National Rural Employment Programme (India)
NRO	regional office (the Philippines)

<b>PAC</b>	provincial agricultural council (the Philippines)
<b>PAEO</b>	provincial agricultural executive officer (the Philippines)
<b>PES</b>	Presidential Economic Staff (the Philippines)
<b>PIADP</b>	provincial integrated agricultural development plan (the Philippines)
<b>RDIPs</b>	regional development investment programmes (the Philippines)
<b>RIARDEP</b>	regional integrated agricultural and rural development plan
<b>SECTAGS</b>	sectoral task groups (the Philippines)
<b>SFDP</b>	Small Farmers Development Programme (India)
<b>TDP</b>	Tribal Development Plan (India)
<b>TTDC</b>	Thana Training and Development Centre (Bangladesh)
<b>UKDP</b>	local development working units (Indonesia)
<b>UNICEF</b>	United Nation's Children's Fund
<b>WCARRD</b>	World Conference on Agrarian Reform and Rural Development

## Chapter I

### INTRODUCTION

Multilevel planning has been used in the literature in various contexts such as local-level planning, area planning, regional planning and decentralized planning. These terms are often used interchangeably and seldom are their definitions stated unambiguously. Local-level planning, area planning and regional planning generally refer to either comprehensive or partial planning for a specifically delineated geographical area at the subnational level, or the planning of a programme/project/activity within its boundaries. These concepts are generally used to indicate the size of area covered; local-level planning for a small area, area planning for a medium area and intracountry regional planning for a larger area. In addition, local-level planning emphasizes the participation of local people in the planning process. But none of these concepts implies that other areas in the country will be similarly planned or that necessary coordination and interlinkages in the plans of various areas will be established to attain national goals.

The scope of multilevel planning, as used in this document, is much wider than the term would connote. It is a process that involves the linking and integration of national planning at various levels or stages, such as national with sectoral and subsectoral planning and programming and particularly in agricultural and rural development. It always involves the integration of spatial planning, in particular central with subnational planning which may include more than one stage e.g. regions/states/provinces, districts and villages. The plans and programmes at various stages and in different sectors are interlinked and coordinated to achieve specific objectives at local, regional and national levels. Local-level planning, area planning and regional planning can become its integrated parts and are important instruments of multilevel planning if the plans are coordinated and integrated to achieve stated goals at various levels.

Territorial decentralization is also an instrument for the implementation of multilevel planning. As decisions in regard to planning are decentralized from national to the subnational levels, the functions at various levels of decentralization are prescribed for the national level and each of the subnational levels. If all the planning decisions are decentralized to a subnational level, then it is a simple matter of decentralized planning and cannot be called multilevel planning. Decentralized planning, therefore, forms only a part of multilevel planning.

The current wave of soul-searching among development economists makes it timely and appropriate to examine the state

of multilevel planning in agricultural and rural development and to explore the options for improvement in its content and approach. Although the term multilevel planning (MLP) may not have been used as such, its practice in several aspects has grown over the last two decades and a half in a number of Asian countries. Indeed, the story of planning in general and in the Asian countries in particular indicates a perceptible trend toward decentralization in agricultural and rural development planning. Nearly all Asian countries have attempted to involve subnational levels in the planning of agriculture and to decentralize rural development administration to their level. The reasons for this general trend, however, are diverse and relate to the political, economic and social situation of each country. Together they elaborate an interesting story of evolution in planning practices. The story is impressive but long and only those aspects relevant to multilevel planning merit a brief reference as a prelude to an assessment of progress in this regard.

#### Changing Orientation in Agricultural and Rural Development Planning: An Historical Review

A number of the countries in the region emerged as independent nation-states during the late forties or fifties. During the pre-independence period, agrarianism -- which was characterized chiefly by local self-sufficiency in agricultural production -- gave way to dualism. The dominant interest was to increase production, particularly of non-food commodities, which could be exported as raw material for processing overseas. Since attainment of this objective required the creation and establishment of extensive production and transport infrastructures, an enclave development option was found less costly.

The enclave development strategy established a triangular relationship among the raw material exporting subsectors, the foreign sector and the facilitating services sector. It created a dualism in the agricultural sector -- a rapidly developing export-oriented subsector confined to enclaves, and a wide subsector producing chiefly food crops and remaining outside the mainstream of development. It also led to wider interregional and interpersonal income inequalities.

The countries in the post-independence period were therefore faced with the major task of breaking the compartmentalization of the agricultural sector so that the gains from development could be more evenly distributed. Most of the countries then embarked upon undertaking the formulation of medium-term development plans to meet two main objectives: 1) the more rapid growth of the sector, and 2) better distribution of the gains from this growth.

Notwithstanding a general concern in several developing countries about problems of employment and poverty, planning in



the fifties did not manage to attach importance to a coherent strategy for equitable income distribution and balanced regional development including people's participation in the process of economic growth. By the mid-fifties, a number of developing countries had, of course, made important strides toward formulating plans and programmes on an integrated basis, rather than as a package of loosely connected schemes and projects. But the glamour of large and 'prestigious' projects, as well as of the import-substituting industrialization strategy, persisted and agriculture was cast in the role of a supplier of cheap food and provider of surplus labour and capital.

Foreign aid tended explicitly or implicitly to support this bias found in the fifties. The project approach of lending by international and regional financing agencies, and also supported by bilateral donors, generally favoured large-scale projects, especially for infrastructure development. Furthermore, in the formulation of these projects -- whether for external or domestic financing -- primary consideration was given to their engineering aspects. The design of agricultural projects, such as for irrigation, drainage or land development, often paid inadequate attention to even the technical aspects of agriculture, not to mention their economic and social components. Feasibility studies were yet to give due importance to an appropriate choice of the techniques, organization and administration of programmes and to an assessment of social costs and benefits. In fact, the development of systematic methods and techniques in project formulation and appraisal were yet to take place.

Impressive progress was made, particularly in the early and mid-sixties, in the formulation of a macroeconomic framework of plans, the design of a national development strategy and priorities, the assessment of resources, investment requirements and gaps, and the coordination of intersectoral allocations. Several countries achieved impressive rates of output growth, as did certain favoured regions as in the larger countries. These became the 'success stories' in the literature. These successes were helped by and in turn provided support to the fabric of interdependence in the world economy, which recorded during this period a sustained economic growth and expansion of trade with a stability of prices.

Indeed, for a number of Asian countries, the sixties marked the culmination of central planning for national development. In this period the strategy and programmes for a breakthrough in agriculture -- the so-called Green Revolution -- were developed and implemented. Yet as impressive as the gains were, they were confined to only a few countries, and even in these countries brought a sharper focus to the disparity in the distribution of benefits and the problem of the 'bypassed' sections of the population. The incidence of hunger and malnutrition and the extent of poverty hardly showed

any signs of amelioration, and the faster rate of population increase added to the gravity of the dilemma of growth with poverty.

The end of the sixties marked an end of this phase. By then, several grave additional problems had begun to emerge in both the national and the international scenes. These developments worsened in the seventies and eventually precipitated into the crisis of the early eighties. As far as agricultural and rural development in developing countries is concerned, the weaknesses and inadequacies of earlier approaches intensified and were seen in greater delays and cost overruns in the implementation of projects and programmes; in shortfalls in the flow of the output, often accentuating inflationary trends; and in a near failure to achieve an equitable distribution of benefits and gains and to lessen interpersonal and interregional income disparities. These shortfalls in the achievement of plan targets and objectives were not due solely to an inadequate formulation of projects and programmes. Equally important were the institutional inadequacies affecting extension, research, credit and marketing; policy weaknesses regarding price incentives, exchange rates and income distribution; and a shortage of trained manpower. Another problem was the lack of people's participation, which is part of the much larger problem of power-sharing.

Several external factors also compounded the problems. The three most important were the population explosion, the burgeoning demand for food and the rising food deficit, particularly in cereals, and a rise in the total import burden unmatched by growth in the relative prices and volumes of agricultural exports. These problems also had differential effects on various groups and regions and were ultimately resolved through a reduction in the employment and income of small and marginal farmers as well as landless rural people whose numbers -- with the added influence of demographic factors -- were also rapidly increasing.

In light of these adverse experiences, many governments, particularly in Asia, began to reexamine seriously their development strategy in the early years of the seventies. Agriculture started receiving a higher priority in the allocation of plan outlays and investments. Second, a greater coherence was imparted to the formulation of agricultural programmes and projects, with a fuller recognition of the need to tailor them to local resources, potential and constraints. Third, the planning methodology was modified to reflect the new thrust in development objectives toward meeting the basic or minimum needs of the people and improving human resources. Sometimes special programmes for the poorer and more marginal sections of the population were developed. Fourth, a concern for people's participation in programme formulation and administration was reflected in a renewed emphasis on

local-level planning, in allocations for smaller projects and the involvement of a local self-governing body. Perhaps one of the most important changes was the recognition of the need for financial decentralization through the increased transfer of central resources to lower levels and enlargement of the scope for the mobilization of local resources. Despite variations, these new directions seem to have further developed during the late seventies and early eighties.

### Trends in Rural Development and Administrative Decentralization

Since the early days of independence from colonial rule, developing countries have been grappling with the problem of the decentralization of development administration and linking planning and management at local-levels to self-governing institutions. Developments in this broad field are diverse, reflecting various political systems, administrative structures and institutions. While it would be hazardous to generalize about the trends of evolution in this broad field, what follows is a brief reference to the changes in development administration that have relevance to multilevel planning.

The first move in most countries was to add to the regulatory and fiscal functions of existing government structures at subnational levels (province or district and below) the tasks of agricultural and local development -- most notably those of input supply and agricultural extension. In some countries -- the community development approach was introduced in selected areas to gain experience in planning and implementing integrated agricultural and rural development. For example, such pilot projects in the early fifties in India led the Government to establish a new territorial level, the 'block', as the local unit of effective rural development administration to service an area of about a hundred villages. Other countries found other focal units for such local-level administration, as will be discussed later.

The experience of the early years pointed to the need for a much stronger emphasis by local administrative structures on agricultural extension and other support services for the production sectors. The late sixties thus saw a sharpening of the focus on agriculture and a strengthening of agricultural support services. The late seventies saw the flowering of these services in a number of Asian countries. But the problems of disadvantaged areas and groups remained. In some countries special programmes were developed for backward areas and target groups -- small and marginal farmers, artisans and others. But these had only indirect links to the structures of local-level planning and administration.

On the other hand, the development programmes of other sectors such as education, health, transport and power have their own linkages and are not necessarily integrated in most countries into rural development strategy.

Another unresolved problem appears to be that of establishing and strengthening the intermediate level (district or above) where a feasible rural development programme can be formulated and supervised, if not implemented. The district may not be large enough for this purpose, and the state or the province too big.

The foregoing account indicates a general trend toward strengthening local-level structures. However, it is not enough to adjust the administrative structure for the planning, implementation and management of development. The ultimate objective that concerns all countries is how best to involve the people and to ensure their participation in development. Progress toward this objective requires a fusion of political self-governing institutions with administrative structures. The decentralization of decision-making in planning and management demands that there be appropriate political bodies at every level. As systems and practices in this respect differ among the Asian countries, a country-specific approach is imperative. The changes in the orientation and structures of development planning and administration are illustrated in Figure I-1.

In development plans, the private sector is not explicitly or formally included. It is indirectly dealt with through incentives, concessions and the facilitating of investment through government policies in development plans. However, an increasing need has been felt to integrate the role of the private sector in development more precisely.

Finally, it is important to caution that if pursued in isolation and undertaken without sufficient linkages and safeguards, and if certain reasonable limits of freedom to plan are not observed, decentralized approaches are likely to lead to goal conflicts and inconsistencies in planning, as well as to an overlapping of effort among various area levels. The result will be pluralistic and fragmented planning without adequate linkages to overall national objectives and priorities, which may contribute to an accentuation of regional and other disparities. Indeed, multilevel planning requires more, and not less, discipline at all levels.

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Fig. I-1

Diagram of Structure and Orientation of Development Planning:  
Global Trends

DEVELOPMENT STRATEGY OF PUBLIC SECTOR INVESTMENTS	GDP GROWTH WITH TRICKLE DOWN EFFECTS	REDISTRI BUTION THROUGH BALANCED REGIONAL DEVELOP- MENT	GDP + WELFARE OBJECTIVES THROUGH	
			FISCAL POLICIES AND TRANS- FERS TO LOW-INCOME GROUPS	TARGET GROUP PARTICI- PATION & ENTITLE- MENT PROGR- AMMES

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O R I E N T A T I O N

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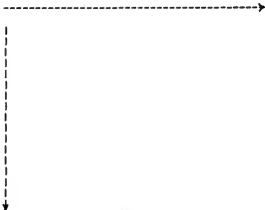
CENTRAL PLANNING

DECONCENTRATION

DECENTRALIZATION

LOCAL SELF-RELIANCE

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### Orientation of This Study

The foregoing account indicates the complex story of progress in multilevel planning, particularly in Asia. The field is active and still developing and governments have indicated their interest in a further study of the subject. Relevant in this connection are the recommendations of WCARRD (Rome, 12 to 20 July 1979), and the Expert Consultation on Multilevel Planning and the Two-Way Process in Agriculture and Rural Development Planning (Bangkok, 1 to 4 February 1983). (See Annex I for texts.)

WCARRD recommendations urge national governments to consider action to decentralize decision-making processes within the framework of national policy and to promote local government institutions. They also recommend that governments delegate to the institutions of local government increasing responsibility for decision-making in rural development activities and promote people's organizations to strengthen the participation of the rural poor in the decision-making, implementation and evaluation of agrarian reform and rural development programmes.

The expert consultation on MLP, after taking note of the current state of the art of multilevel planning in various countries and the incipient stage of decentralization, has suggested that FAO document and critically assess country experiences and take steps toward the preparation of guidelines for that purpose. It has also recommended that workshops be held to inform senior level planners and policy-makers of programmes planned to train various personnel for the tasks of multilevel planning.

This report has been prepared as a followup to these recommendations of these meetings.\* Following an introductory discussion of the major shifts in development planning and administration during the last two decades, it presents a review of country experiences and an analysis of emerging issues. The countries studied are India, Nepal, Bangladesh and Sri Lanka in South Asia, the Philippines and Indonesia in Southeast Asia, and Fiji in the Pacific. This is followed by a discussion of the major features of the multilevel planning system, its construction and the problems of linkage and coordination among different levels. The discussion then moves to the design of decentralized planning and highlights the various issues to be faced in the practice of planning. The analysis then turns to the institutional arrangements necessary for the organization of the planning process, for the coordination of implementation and management, and for people's participation. The last chapter seeks to distill major issues and recommendations.

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\* Dr. K. V. Sundaram served as a consultant with the Asia and the Pacific Group of the Policy Analysis Division in the preparation of this report.



## Chapter II

### MULTILEVEL PLANNING: COUNTRY APPROACHES AND EXPERIENCES IN SOUTH ASIA

This and the next chapter present a condensed analysis of selected country approaches and experience in multilevel planning in South and Southeast Asia and the Pacific. Presentation in two chapters is for convenience and is not intended to indicate, for example, a two-fold classification of approaches or regional differences, etc. The initiatives, approaches and practices developed in the countries covered have been highlighted and particular attention given to those important methods and mechanisms devised for such planning. The analysis is confined to seven countries for reasons of the ready availability of information concerning them. India, Bangladesh, Nepal and Sri Lanka in South Asia, the Philippines and Indonesia in Southeast Asia and Fiji in the Pacific. The fact that other countries in the Asian and Pacific Region are not mentioned does not mean that there are no significant trends toward multilevel planning in those countries.

#### INDIA

##### Political system and administrative structure

India has a federal democratic structure with the central government at the apex and twenty-two states and nine centrally administered areas, 413 districts and 5 004 blocks (sub-districts) at the subnational level.\* The constitution has defined the division of functions between the centre (union) and the state through a specific listing of union, state and concurrent subjects. Since the states have relative autonomy in matters coming under their jurisdiction, there is wide variation among them in the methods and procedures adopted for decentralized planning below the state level.

##### Planning structure

The Government of India initiated planning in the early fifties with first five year plan (1951-55) and has since been following national planning (except for annual plans in a few years) for the development of the country. Currently the sixth five year plan (1980-85) is under implementation. At the central level, the National Development Council is the highest policy-making body, assisted by the Planning Commission.

Over the years the states have set up their own state planning boards as their apex-level planning bodies and have strengthened their planning functions. They have also

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\*The figures refer to the number of subnational-level units in 1981.

increasingly asserted their autonomy along with a larger share of the central resources for distribution to them. The planning machinery in the states is not, however, of uniform strength or competence.

Below the state level, the planning machinery needs to be strengthened to support a multilevel planning process. This aspect is currently engaging the attention of the state governments in India.

#### Multilevel planning experiments: an historical review

An historical review of the Indian experience on multilevel planning shows that it is diverse, taking several routes with differing emphases at different times. The Gandhian concept of 'self-reliant village republics' held sway during pre-independence India. After independence, the idea of a community development programme was initiated as a bold experiment in integrated rural development with decentralized planning and implementation at the 'block level. Soon it was found that though this approach had much to commend itself, it lacked in adequate attention to agriculture and particularly to food production.

It was also in the later years of this phase of the second five-year plan (1956-61) that a beginning was made in the move toward three-tier, elected democratic bodies called the panchayati raj institution.

During the third five year plan (1961-66) the integration of areal planning with sectoral planning was initiated through such programmes as the Intensive Agricultural District Programme and the Intensive Agricultural Area Programme. The major contributions of the fourth plan (1969-74) were the constitution of district planning boards, some experimentation in district planning and a beginning toward area-specific development programmes initiated by the centre (union). The fifth plan (1974-79) saw a proliferation of centrally sponsored area development programmes, including target group-oriented programmes and the creation of special local agencies to implement them. In 1978 an incentive was sought for block-level planning and a way to integrate the work of various special agencies in the Integrated Rural Development Programme (IRDP) within the block. One of the important lessons learnt from these experiences is that decentralization without building up the requisite capability of the local units to exercise a decentralized authority does not accomplish much. The present thrust is to strengthen the planning machinery at subnational levels, establishing certain essential prerequisites to decentralized planning and on the preparation of detailed

guidelines for informed and consistent action by the district level units.

### The current status of district planning

Today the states are in different stages of decentralization. Some have taken bold steps and introduced comprehensive decentralized planning at the district level along with necessary structures. Others have introduced some measures of decentralization for the planning and implementation of specific programmes, e.g. the minimum-needs programme (MNP), the tribal development programme, etc. Among the states which have introduced some major innovations in district planning are Gujarat, Maharashtra, Karnataka, Uttar Pradesh and Jammu and Kashmir. The innovations introduced include a clear specification of planning functions for the district level; the disaggregation of plan funds from the state level according to rational criteria; the provision of discretionary and incentive outlays at the disposal of the district-level body; establishment of suitable structures for planning; and some delegation of administrative powers. The planning for agriculture and allied services has been explicitly considered as a subject to be dealt with at decentralized levels and has been brought substantially under the district planning function.

In regard to allocations, about 30-45% of state plan funds are being earmarked for districts. However, as most of these allocations are often preempted for schemes/projects of line departments, some states have earmarked a small proportion of 'discretionary outlay' or 'untied funds' - which provide discretion to the districts to take up schemes of local importance. An important methodological contribution that has emerged from some of these decentralized experiments relates to the allocation criteria for the distribution of resources by the states to the substate levels. Some of the states have devised a specific formula which attempts to give weight to certain relevant factors like population, the level of development in various sectors as revealed through significant indicators and special problems of the district.<sup>1/</sup> In this way, the problem of interregional disparities has also been dealt with.

The organizational structure evolved for district planning consists of the establishment of a district level council/board/committee, usually headed by the chief administrator at the district level, or as it happens in some states, a state minister or non-official. This is supplemented by an executive committee for coordination and sectoral committees for plan formulation.

### The role of elected bodies and the problem of integrating political and administrative systems

Experiments in integrating the development administrative system with democratic decentralization do not show appreciable progress. However, the structures necessary for this purpose have been created. Thus elected bodies like the district councils, called zilla parishads, and subdistrict (block) councils, called panchayat samitis, and gram (village) panchayats, are functioning in several states with varying degrees of power and functions.<sup>2/</sup> However, the problem as originally formulated does not yet seem to have been satisfactorily resolved: how an operationally effective system of decentralized development planning and implementation can be built within the framework of democratic decentralization. In most of the states, decentralized planning still does not bring forth the desired degree of people's participation in the forum devised for debate and plan approval. Attention, however, may be drawn to some interesting changes or variants in the structures devised for decentralized district planning in some states in India. In the states of Gujarat and Maharashtra, the role of the panchayati raj institutions today is confined to the implementation of selected functions. The planning function has been entrusted to a new body (called the district planning and development council in Maharashtra and the district planning board in Gujarat) set up under the chairmanship of a minister of state in which panchayati raj institutions are also represented. The object of this new arrangement is to achieve better horizontal coordination at the district level and to secure a better integration of the district plan with the state plan.

### District planning: linkages and delegation of powers

Although district planning should embrace the whole range of planning at the local level, i.e. the subdistrict, village cluster, village, etc. the planning linkages between the district planning body and the bodies at the subdistrict level are somewhat tenuous. In regard to the delegation of powers to lower levels, the extent of such delegation varies widely among states. The general tendency is to retain fully the powers of supervision and control at the state level. However, there are few examples -- such as Jammu and Kashmir, where a high degree of delegation of power has been attempted and a single line administration has been established at the district level.

### Decentralization in agriculture and rural development

As far as the agricultural and rural development sector is concerned, the central government also retains its

prerogative to enforce priority objectives and programmes through the mechanism of centrally sponsored projects. These projects have become the instruments of the strategy of change that is determined by national policy-making bodies. They are essentially innovative in nature and the states, left to themselves, might not undertake them. For this purpose, the centre provides additional funds to state governments.

An important trend of rural development begun in the sixties and seventies in India is the multiplicity of special area programmes that are centrally sponsored and devised to meet the special problems of specific areas and as a strategy for the development of certain backward areas in the country. Such programmes include the Drought-Prone Area Programme (DPAP); the Desert Area Programme (DAP); the Hill Area Development Programme (HADP); the Tribal Development Programme (TDP); the Small Farmers Development Programme (SFDP); and the Command Area Development Programme (CADP). These programmes have enabled planners to gain experience in designing appropriate area- and location-specific strategies and development models and to determine development priorities for such areas. Much experience has been gained through these exercises in project formulation and area programming. The National Committee on the Development of Backward Areas which recently reviewed these programmes has identified some other problem areas for special treatment, e.g. coastal areas affected by salinity and flood-prone areas.

Besides these special area programmes, a special poverty-oriented programme to provide unskilled employment on works projects has consistently been a feature of Indian planning since the sixties. At present, this programme covers the entire country and is called the National Rural Employment Programme (NREP). Besides the employment programme, the programme of minimum needs is also a special feature of rural planning in India.

In 1979, the centrally sponsored Integrated Rural Development Programme, (IRDP) with the block as the planning unit, was initiated. This programme concentrates on weaker sections such as small and marginal farmers, share croppers, labourers, rural artisans and scheduled caste and scheduled tribe families below the poverty line. Thus the earlier target groups of special programmes have been merged in the IRDP. To implement IRDP a new organizational structure, which has more flexibility than the usual government departments has been devised, called the district rural development agency (DRDA). While this body has a separate structure, it has strong links with the regular administrative system. In the composition of its governing council, the DRDA strongly resembles the district planning body as it consists of both non-official and official

members. The central government exercises complete supervision and control over the programme and detailed guidelines have been issued for this purpose. Because of this top down control, it has been labelled an experiment in 'controlled decentralization'.<sup>3/</sup> It has been stressed in official guidelines that the IRDP is only one of the components of a comprehensive block development plan and emphasis has been laid on the preparation of such plans, integrating all development programmes operating at block level. This has, however, not materialized as yet. One of the views held is that the DRDA would ultimately expand its functions and emerge as the coordinating mechanism for all agricultural and allied activities, functioning as a sectoral wing of the district planning body.

### Proposed measures for decentralization

According to the current thinking in the Indian Government, decentralized district planning will be one of the important strategies of its seventh plan beginning in 1985. A working group on decentralized district planning formed by the Indian Planning Commission has advocated a 'stages approach', providing sufficient flexibility to the state governments to go about decentralization at a varying pace, adopting their own mechanisms in accordance with local conditions.<sup>4/</sup> (See Annex II). There is also another view, namely to introduce an intermediate tier between the district and state levels for developmental purposes and to set up a 'divisional development authority' (DDA) with the devolution of specified functions. The proposed divisions will include a cluster of about four districts, broadly corresponding to an agro-climatic region.

The divisional tier would essentially be a policy and planning coordination level to study the resources and potential of a region; translate national economic goals into more specific regional objectives; formulate appropriate policies and plans in light of the conditions in the division; allocate available funds; and provide the necessary coordination of personnel and technical guidance. It has been felt that such a decentralization strategy would be particularly relevant for the large states in India, some of which are even larger than nation-states such as France and Germany.

### Significant trends

There has been a significant strengthening of the organization and scope of planning at the state level. However, the approach of the states in India shows considerable variation in the perception, scope and focus of decentralization below the state level. There is an indication that

past efforts toward decentralization have not yielded the results expected, perhaps because some essential prerequisites were lacking, particularly personnel resources, coordinating mechanisms and planning parameters. The states are now seeking to remedy these gaps and to mount a systematic effort toward decentralized district planning. Some states have successfully experimented with innovative approaches and have evolved useful multilevel planning procedures. These experiences provide valuable insights for other states that have yet to start the process. In a federal setup such as that of India, where states are in various stages of the centralization-decentralization continuum, the stages approach provides a particularly flexible avenue making progressive transformation possible, accumulating experience and making necessary adaptations.

## BANGLADESH

### Political system and planning and administrative structure

Bangladesh has a presidential system of government with a unitary structure. The Government's central planning agency is the Planning Commission which is responsible for framing development plans in consultation with ministries/divisions.

With its separation from Pakistan, Bangladesh created a national planning organization and launched its first five-year plan (1973-78). This was followed by a two-year plan (1978-80) which was meant primarily for completing on-going or unfinished projects of the first five-year plan. Currently the second five Year plan (1980-85) is under implementation.

Prior to October 1982, the administrative structure in Bangladesh at the subnational level consisted of 4 divisions, 20 districts, 60 subdivisions, 450 thanas, 5 000 unions and 68 000 villages. This was considered by the government to be a somewhat cumbersome and involved structure. To bring the administration nearer to the people and to facilitate their effective participation in administration and development, it was decided to curtail the hierarchy in administration and to initiate a massive programme to devolve administrative powers and to decentralize planning and development activities at the subnational levels. Thus since October 1982, Bangladesh has embarked on some wide-ranging reforms.

### Decentralization: main features

Two major changes introduced in this regard have been:

- i) Elimination of the subdivisional tier (the tier just below the district).
- ii) Upgradating of the thana and creation of the upazila or subdistrict as the focal point of administration and development at the local level. (Upazila or subdistrict is the new name given to that unit of administration that has so long been known as thana).

By upgradating of the thana and setting up a local government at the upazila level, the Bangladesh Government has meant the following:

- i) The creation of more offices at the upazila level;
- ii) The elevation of the status of the upazila-level officers;
- iii) The accelerated development of physical facilities at the upazila level; and
- iv) The channelling of more funds to upazila directly.

### Decentralization of functions

The resolution of the Government spelling out reorganization has divided government functions at the upazila level into two groups, namely 'retained subjects' and 'transferred subjects'.<sup>5/</sup> The following listing shows the subjects or functions retained by the central government and those transferred.

#### Retained subjects

1. Law and order; judiciary

#### Transferred subjects

1. Agriculture and irrigation



- |   |  |
|---|--|
| 2. Administration and management of central revenues      | 2. Primary education                           |
| 3. Maintenance of essential supplies                      | 3. Health and family planning                  |
| 4. Large-scale industries                                 | 4. Rural water supply and sanitation programme |
| 5. Irrigation (involving more than one district)          | 5. Rural works programme                       |
| 6. Mining and mineral development                         | 6. Food-for-work programme                     |
| 7. Education above primary level and technical education  | 7. Disaster relief                             |
| 8. Hospitals  | 8. Cooperatives                                |
| 9. Interdistrict and inter-upazila means of communication | 9. Fishery development                         |
| 10. Flood control and water resource development          | 10. Livestock development                      |
| 11. National statistics                                   |  |

Prior to the changes introduced in 1983, the district was the focal point of the administrative structure with a deputy commissioner as its head. With the upgradation of the thana and the vesting of considerably enhanced powers in upazila-level officers, the latter no longer need to turn to or wait for district-level officers to approve development schemes or release funds, etc. Thus in the reorganized setup, the district will have a somewhat diminished role in regard to development functions. At this stage, the process of decentralization and devolution is not yet complete and the new role of the districts in development administration is not very clear.

To make decentralization effective, the control function of higher echelons has been greatly reduced and the upazila-level officers of the central government have been vested with considerably enhanced powers.

### Democratic decentralization

The local government at the upazila level is termed the 'upazila parishad'. It is a body consisting of representative members as well as technical members. Besides the chairman, who is elected directly on the basis of a universal adult franchise, the parishad consists of the following members:

- i) Representative members, i.e. the chairmen of all the union parishads within the upazila, who are themselves directly elected on the basis of a universal adult franchise.
- ii) Chairman of the Upazila Central Cooperative Association.
- iii) Three women members, nominated by the Government.
- iv) One nominated member.
- v) Official members (i.e. officers in charge of development activities without voting power).

### Financial decentralization

Some important financial decentralization measures have also been introduced by the Government to ensure adequate funds at the upazila level for the implementation of development programmes under the transferred subjects. This includes the allocation to the upazilas of a sizeable portion of the annual development plan allocation. The allocation among the Upazilas is based on the following allocation criteria and weights: (a) population (0.5), (b) area (0.1), (c) extent of backwardness (0.2), and (d) performance (0.2).

Besides provision by way of outright grants from the central government, the parishad (district council) will also have its own income from several specific sources prescribed under law. The parishad may also receive funds from various agencies of the central government for the execution of schemes not otherwise transferred to the parishad. With the object of efficient financial management, all funds available to the

parishad irrespective of their source, have been consolidated into one parishad fund which the parishad may make use of through its own budgetary mechanism. To ensure the proper utilization of the resources placed at the disposal of the upazila parishads in conformity with national plans, programmes and priorities, in July 1983 the Planning Commission issued guidelines indicating the proportions of sectoral investments and procedures for the preparation, processing and implementation of development projects at the upazila level.6/

#### Administrative aspects of decentralization:

An important arrangement on the personnel management side is that the services of all officers dealing with subjects transferred to the upazila parishad have been placed at the disposal of the parishad and made accountable to the parishad. In this way, the institutional supremacy of the upazila parishad is ensured. As it will take some time for the upazila parishad to develop the expertise required to identify and formulate development projects scientifically, the national government has deployed many of its own officials to work for these parishads to assist in performing these functions.

The chairman of the parishad, who is the chief executive, is assisted by an executive officer called an upazila nirbahi officer who provides professional management support to the chairman and also acts as the principal agent of the central government at the upazila level, responsible for law and order and other regulatory functions.

Compared to the local government bodies of the past, the upazila parishad has been freed from hierarchical administrative controls. The mechanism of 'prescribed authority' and 'controlling authority' has been abolished. As a body corporate, the parishad exercises full control over its affairs. The administrative control of the central ministry of local government over the parishad in matters of funds provided by the central government has been abolished. The relationship of the central government has been limited to monitoring, evaluation, inspection, technical guidance and training.

The decentralization scheme also embodies in its restructuring a mechanism for diffusing growth poles. Upazila headquarters are expected to emerge as the seats of administrative power and economic opportunities. These new growth centres are expected to contain the cityward or urban drift not only of the landless people of rural areas, but also a good segment of the educated middle class.

### Decentralization of agriculture:

In the field of agricultural planning, an important aspect of new development is the organization of villages into gram sarkars. These institutions would be responsible for planning agricultural development as part of total village development. These development plans are then expected to be linked to rural development plans at the union council parishad levels and finally at the upazila level. For this purpose, a massive training programme has been envisaged. To facilitate the trend, a manual on upazila land use planning has been prepared by the Ministry of Local Government, Rural Development and Cooperatives.<sup>7/</sup> This manual is designed to show how the upazila land use development plan can be prepared and standardised. It is stipulated that the upazila extension officers should first use available technical information on soil, water supplies and present land use to find the best ways of increasing agricultural production (including forestry, fisheries, livestock, etc.), to then guide and train union assistants, union parishad members, cooperative managers and other concerned people in identifying areas suitable for increasing production. These people would then design and implement suitable intensive land use development schemes.

### Decentralization of rural development

In the field of rural development, Bangladesh initiated in the seventies a modified comilla approach to rural development in the form of an integrated rural development programme (IRDP), which aimed at organizing primary cooperative societies in the villages and the training of leaders in these societies at the Thana Training and Development Centre (TTDC).<sup>8/</sup> However, there was no effective integration of development programmes at the thana level. The implementation of a cooperative programme, the thana irrigation project and the food-for-work programme also revealed that there were weaknesses in the approach. The Government therefore turned its attention to the problem of organizing the people at the village level. In April 1980, the swanirvar gram sarker movement was initiated to build self-reliance among the rural communities. The main functions of the gram sarker were envisaged as (a) the increase of food production, (b) mass literacy, (c) population control and family planning, and (d) law and order. Since 1982 the swanirvar gram sarker has been replaced by the wide ranging administrative reforms referred to earlier, including the elimination of the subdivisinal tier and the upgrading of the thana.

### Concluding remarks

Changes in rural development policies and approaches in Bangladesh have been too frequent for an assessment of experience to be made over a sufficiently long period. The present decentralization effort is only two years' old. The extent and scope of decentralization aimed at the upazila level seems to be quite substantial. Some of the financial disaggregation methods and personnel deployment procedures are commendable and illustrate the application of the principle of 'constrained maximization' in a situation such as that in Bangladesh today. It is hoped that the restructuring of the administrative setup has laid a foundation for sustained, decentralized effort.

### NEPAL

#### Political system and the administrative structure

Nepal is governed through a partyless system of four-tier panchayats (the rashtriya, zonal, district and village panchayats), with His Majesty the King and his council of ministers providing direction at the apex level.

The country is administratively divided into five development regions, each of which is divided into three to five zones, which are further subdivided into districts. In total, there are 5 development regions, 14 zones and 75 districts in the country. The national development council is the highest planning and policy-level body and is supported by the National Planning Commission, a plan formulation body. For the agricultural and rural development sector, the relevant ministries are the Ministry of Agriculture and panchayats and the Ministry of Local Development.

Nepal is now implementing its sixth five-year plan (1980-85). National planning provides for a third sector called the panchayat sector, in addition to the two conventional public and private sectors, whose activities are expected to generate additional resources through local mobilization, mostly in the form of voluntary labour. Thus panchayat sector activities consist of small, local self-help schemes such as drinking water projects, foot bridges, small irrigation channels, school and panchayat buildings, etc. The planning process adopted for this programme provides for more decentralized decision-making.

### Decentralization during the sixties

According to provision of the constitution of Nepal of 1962, the decentralization of power and people's participation in the political process are important dimensions of the administrative and political reorganization of the country. The series of reforms introduced in the sixties sought to make administrative units smaller (thus increasing their number from thirty-five to seventy-five) so that administrative services could be reached better by the population. The Local Administration Act of 1965 authorized district panchayats to look after all development activities in the districts. Under this act, the district panchayats were constituted with an elected chairman and an official, the chief district officer (CDO) as the secretary of the panchayat. This system, however, did not work satisfactorily as conflicts arose between the CDO and the chairman of the district panchayat. This plan repeatedly ran into difficulties because of the reluctance of civil servants to part with power on the one hand and the alleged lack of accountability on the part of the elected leaders on the other.

### Decentralization during the seventies

A more elaborate attempt was made when a district administration plan (DAP) was implemented in 1975. The major thrust of this reform was to bring about a unified and strong district administration. The following measures were taken:

- i) The district level departments of the central government were designated as the constituent sections of a unified district office.
- ii) The planning for all sectoral programmes was to be initiated at the local level, some starting at the village level and others at the district level, and an integrated document called the district development plan (DDP) was to be prepared each year in each district with the intent of making them the basis for resource allocation.
- iii) Several subject committees (called coordinating committees) were formed of district panchayat members and concerned technical officials to enlist people's participation in decision-making for all development programmes in the district.

- iv) The CDO was to be the coordinator of all development programmes at the district level and to function as the executor of district panchayat decisions, with adequate discretionary power vested in him.

Although DAP has been in existence for close to a decade, it did not become fully operational, mainly for the following reasons: 9/

- i) The departments and ministries concerned have tended to go slowly in entrusting supervisory and coordinating role over their programmes and personnel at the district level to the CDO.
- ii) District-level personnel are inadequately trained in project analysis and local-level planning and are not equal to the task of drawing up coherent district development plans.
- iii) Planning in most of the sectors is done separately at the national level. These nationally set quantitative targets are later disaggregated and handed down to individual districts. The planning of programmes on the basis of a local identification of needs and potential still remains to be fully implemented. Only in the case of rural works have locally identified projects constituted an important basis for central and local resource allocation.

To complement DAP, the Government came up with another approach called the Integrated Panchayat Development Design (IPDD) to provide stronger intersectoral coordination. Extensive institutional mechanisms were to be instituted for this purpose through a chain of coordinating committees at various levels starting from a cabinet sub-committee. Another provision in the design was the establishment of service centres, nine in each district. Despite the comprehensive nature of provisions in its design, the IPDD does not appear to have achieved much, mainly because of the indifference of the line ministries.

Decentralization in the eighties: The Decentralization Act, 1983

The latest bid to push through the decentralization scheme has been by legislation. An act called the Decentralization Act was enacted in 1983. The bylaws are now under preparation by a high-level committee, but the act is yet to be operational. The Government proposes to follow up this step with the preparation of detailed guidelines for decentralized district planning.

The Decentralization Act seeks to integrate political and administrative systems at the subnational level. The district panchayat has been envisaged as an all-important body. The district-level offices of the departments and ministries (line agencies) are expected to function as integral sections of the district panchayat secretariat. The district development programmes of the following departments come under the jurisdiction of the district panchayat: education and culture; health and population; agriculture and irrigation; works and transport; water supply and hydroelectricity; forestry; soil conservation and environment; industries, commerce and tourism; energy; cooperatives and local development and social welfare.

The district development plan will be in accordance with policies determined at the national level and communicated to the district through the various sectoral ministries. The Decentralization Act lays down the following six priorities for the district development plan.

- a) Projects which provide direct benefits to the general public and which fulfil minimum needs;
- b) Projects which help in increasing agricultural production;
- c) Projects which can be implemented through local resources and skills;
- d) Projects which help in increasing productivity and employment opportunities;
- e) Projects which have been assigned priority in national level plans; and
- f) Projects which help to protect the environment.



The district development plan is supposed to evolve through an elaborate committee system. Five subject committees are proposed to be set up for this purpose, one each for agriculture and irrigation, works and maintenance, industry, forest and soil conservation, health and population, and education. These committees are themselves expected to base plans on suggestions received from village and town panchayats. Besides the subject committees, two other important committees have also been envisaged. One is a joint committee for the coordination of planning, to bring together the proposals of the subject committees. A second one is a district supervision committee, which will have a threefold function: (a) that of supervising the district development plan; (b) that of ensuring a certain measure of economy and fiscal discipline during the course of implementation; and (c) that of initiating appropriate action in the event of any errors being detected in execution. Both committees are to be chaired by a national panchayat member (MP) hailing from the district. In his absence, the chairman of the district panchayat will preside over such meetings.

Another important aspect of the legislation is the requirement that each district be divided into nine ilakas (blocks) and in each of them, a service centre would ordinarily be established as the organized focal point for all government and parastatal services to promote a self-sustaining development process in the villages. Thus rural-urban integration has been provided for and a growth centre strategy has been advocated. The Decentralization Act provides for a strong organizational structure that is not only well coordinated, but is also permeative in nature. It is geographically dispersed so that it can provide the necessary assistance and information to panchayats from close quarters on a continuing basis. This is the rationale for the creation of service centres. 10/

The National Planning Commission is the plan-approving body. It also determines sectoral allocations. The district panchayat has no freedom to make intersectoral transfers. The act also specifies various controls by His Majesty's Government.

The Decentralization Act is an ambitious venture and seeks to bring about the very structure which could not be established in previous attempts, namely, the establishment of a unified strong development administration in the district under the political executive.

### Decentralization in Agriculture

In regard to agricultural planning, an experiment tried by the Ministry of Agriculture in 1981-82 merits special mention. Under the experiment, the ministry took the initiative of engaging the farmers in the planning and implementation of the programme. It envisaged to set up three-tier committees at the district, village and ward levels. The committees would consist of local political functionaries, representatives of local agricultural agencies and local development department. The ward committee was to have a progressive farmer as member-secretary. Under the ward committees, production groups for various crops were to be set up. On the basis of policy directives, operational guidelines and resource allocations made by the ministry, it was intended that these committees would plan and implement their respective programmes. This experiment, however, did not achieve appreciable results as the farming community repeatedly failed to respond enthusiastically and were not prepared to shoulder the responsibilities allocated to them under the programme 11/.

### Recent trends

Thus recent developments in Nepal show that the country is poised for a fresh comprehensive attempt toward decentralization backed by legislation. The two important features of this legislation are: (1) it seeks to bring all development departments at the district level under a single unified strong development administration under the political executive; (2) it seeks to bring about a geographically dispersed pattern of organization through the establishment of rural service centres at appropriate locations which will provide a package of essential goods and services to support the rural economy.

The Nepal experience also underlines two common major constraints to decentralization, namely the reluctance of the established administration to part with power and the lack of capability among personnel at the lower levels to shoulder higher responsibilities. A cadre of local development officers (LDOs) has been created and a massive scheme of training has been envisaged.

## SRI LANKA

### Political system and administrative structure

Sri Lanka is a parliamentary democracy which is now trying to combine democracy with a measure of presidential authority. It has a unitary system of government and follows a national planning approach to development. However, finance and economic affairs hold considerable authority.

Planning at the national level takes into account these features. Planning targets are broken into sectoral levels and this system continues. However, since the seventies several departures have been introduced in the administrative system at the subnational level designed to decentralize power and to ensure a greater measure of people's participation.

The three broadly accepted levels of development administration in Sri Lanka are: the district (average Population, 600 000 with an area of 1 000 square miles the division (subdistrict) and the village.

### Decentralization measures

The establishment of the District Political Authority by administrative fiat in 1973 must be regarded as the first significant landmark in the decentralization of administrative power in Sri Lanka. Until the introduction of this system, the coordination of all governmental activities in the district was effected through the government agent, a senior official of the Sri Lanka administrative service. Within a few months of introduction of the District Political Authority System, the concept of decentralized budgeting was initiated; a lump sum of money was made available to each district by the central government to be used for works of a capital nature. It was meant as a flexible mechanism for implementing projects that local people and their political representatives wanted without delay. The funds available for this purpose are, however, limited (about 2.5 % of the national capital budget) and are often used for public works.

The power conferred through the decentralized budget considerably enhanced the political image and authority of the elected representative of the people. It has immensely helped in generating popular participation at the village level for most of the development programmes at the grass-roots level are planned and executed with the agreement and active cooperation of all sections of the rural community.

In 1977, the District Political Authority System was replaced by the district System under statutory provision. The district ministers are appointed by the President and a monthly conference of district ministers is held in the President's secretariat. The district minister is responsible for the overall administration of the district and is answerable directly to the President.

A new legislation called the Development Councils Act was introduced in 1980 which regulates district and local government administration. It provides for gramodaya (village) and pradeshika (divisional) mandalayas (councils) as the units of local self-government at the grass-roots level, in addition to the district council. Members of the district council are of two types: members of parliament representing the district are ex-officio members of the council, while others are elected directly by the people. The executive arm of the district council is a four-member executive committee headed by the district minister and consists of the elected chairman of the development council and two other members. The committee is entrusted with the tasks of (a) formulation of an annual development plan, (b) preparation of the budget, and (c) implementation of the plan. The subjects falling within the scope of the district plan have been defined as follows: agrarian services; agriculture; animal husbandry; cooperative development; cultural affairs; education; employment; fisheries; food; health services; housing; district irrigation works; land use and land settlement; rural development; small- and medium-scale industries. The district council has also been empowered to impose rates and taxes within its area of operation, levy fines, and obtain revenue from proceeds from sales, leases, etc. or through the administration of any public services e.g. transport.

The obligation to prepare an annual development plan is an important departure. Under the earlier system, only an annual budget (without a plan) was required to be presented. Thus the system of subnational planning evolved in Sri Lanka recognizes the primacy of the politician and has sought to organize the planning and development process within the framework of the political system.

#### Decentralization of agriculture

Decentralized procedures have been evolved with regard to agricultural planning. Since the late fifties, cultivation committees have been established at the local level in addition to rural development societies to facilitate the involvement of farmers in the planning and implementation of rice farming, and

since 1965 in the preparation of an annual agricultural development plan. These committees include cooperative society officials, leading farmers and village leaders. The agricultural officers take the initiative in preparing agricultural targets for paddy and subsidiary crops, and estimating the kinds and quantities of inputs such as fertilizer and credit. Their functions under the operational system include demonstrations and the procurement of new high-yielding varieties of paddy and subsidiary crops. These estimations are made in close consultation with the people at the field level. The plans prepared on this basis are eventually transmitted to the government agent at the district level who vets these plans after discussion with the district agricultural committees.

In 1973-74 new institutions called agricultural service centres were created along with agricultural productivity committees to oversee a programme of intensive agricultural development at a level between the division and the village. The system was modified in 1979 in the light of experience. Agrarian service committees composed of Government officers and elected members are now established in each village council area and are generally expected to coordinate agricultural activities and implement the agricultural policies of the Government.

#### The Integrated Rural Development Programme

One of the recent activities in the districts is the commencement of IRDP projects which are implemented by the existing sectoral agencies at the district level. This programme is now being groomed by the Government as the principal instrument to activate and provide a sense of direction to the institutional systems for decentralized development planning at the district and lower levels that have emerged from the implementation of the Development Councils Act, 1980. The programme now covers about nine of the twenty-four districts of Sri Lanka.

A recent ARTEP (Asian Regional Team for Employment Programme) study seeks to bring together in a comparative perspective, the diverse experiences provided by the IRDP districts in relation to planning approaches, implementation and attempts to promote participatory processes. 12/ After taking note of the various weaknesses in the working of the IRDPs, the study has delineated a unified system of planning in a multilevel framework consisting of three interrelated tiers -- national, district and local -- to ensure consistency and complementarity in planning. The study also draws attention to the impressive potential of the gramodaya mandalayas to participate in local-level planning as evidenced by the steady

upward trend in the development activities of these organizations supported by the funds from the decentralized budget. The main bottleneck, however, has been identified as an absence of staff with adequate skills at the local level to match the large potential for participatory planning.

#### Summing up

A number of changes have been introduced in Sri Lanka since 1973 which have increased the scope for district-level decision-making and investment allocations. These include the appointment of district political authorities in 1973, the establishment of the decentralized budget, the appointment of district ministers in 1978, the creation of the district development councils in 1980 and the tying up of all these with the preparation of a district plan.

A very important development following from these changes has been a progressive increase in the role of the members of parliament in deciding matters affecting their electorate in all activities of the public sector. Excepting projects and programmes which are of national concern, such as the Mahaweli Project, as well as overall national priorities and policies which are handled at the central level, all other aspects of planning and implementation of developmental programmes in each district is being overseen and coordinated by a district minister who is an elected member of parliament and is appointed by the President.

The three-tier arrangement of development councils established since 1980 provides a hierarchical system of subnational entities with the district as the apex of this system and has paved the way for better, more coordinated planning. Several changes are being contemplated that will provide for more effective functioning.

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### Chapter III

#### MULTILEVEL PLANNING: COUNTRY APPROACHES AND EXPERIENCES IN SOUTHEAST ASIA AND THE PACIFIC

This chapter covers the country approaches and experiences in Indonesia and the Philippines in southeast Asia and Fiji in the Pacific.

##### INDONESIA

##### Political system and administrative and planning structure

Indonesia has a unitary structure of government. Its political system envisages autonomy of the provinces. It has a five-tier administrative structure with the nation, provinces (27), districts (295) (*kabupatens/municipality*), subdivisions (3 517) (*kecamatans*) and villages (65 000). The provinces, districts and villages are autonomous units with elected representatives. The head of the village is also an elected person. The head of the province is an elected governor. The head of district is an elected *bupati* and the head of the village is also an elected person. The head of the subdistrict unit called *camat* is, however, appointed. The centre, the province and the district have separate budgets. The division of powers between the centre and the province is governed by the 'Law for Autonomous Provinces'. The central government officers are seconded up to the provincial level.

Although more than ten years have elapsed since the passing of the act defining the powers and functions between the centre and the provinces, planning and decision-making has yet to show a departure from a centralized pattern.

The National Planning Board is called the *Bappenas* which is the apex policy-making and national planning body. There is also a planning organization at the provincial level which is called *Bappeda I*. It has about fifty to one hundred technical officers. In 1982, the Government decided to set up another planning institution called *Bappeda II* at the district level. *Bappeda II* (the district planning board) is still evolving. The subdistrict level unit is only an implementing unit and not a planning unit.

The third five-year plan (*Repelita III*), 1980-84, is currently under implementation.

##### Planning at the subnational level

The inadequate planning capabilities at the subnational level seems to be a major constraint to decentralized planning. The *bappeda*, which is supposed to be a coordinating body at the provincial level, has not developed into a strong organization, partly because of a lack of sufficient technical expertise and

partly because the organization lacks adequate authority for supervision and control over line agencies and departments, and because the monitoring system at the subnational level is poorly developed to perform even advisory functions effectively. The bappeda has, of course, the budget authority that confers some coordinating power in terms of choosing which project proposals are to be funded. But this authority is not sufficient to stimulate good overall planning or good project formulation. This is because the budget authority, as it functions now, only examines the projects posed for funding. It is not equipped to look beyond the project to make a comprehensive assessment of the total resource allocation of the economy and the effectiveness of the use of those resources.

At the provincial level, horizontal coordination is inadequate because of the existing personnel system. The personnel located in the provinces are employees of the central government assigned to the provinces by the heads of the sectoral departments. Although they have a responsibility to the provincial government, they are not fully under the control of the coordinator at the provincial level.

At the second level (district or municipality level), the planning activity is very much a departmental affair. Coordination at this level is supposed to be done by the elected chief. But in practice such integration is difficult because of a lack of adequate technical expertise for planning at this level. Thus the so-called plan is only a collection of sectoral programmes predetermined by higher levels and not necessarily interrelated or integrated. The same is the case at the subdistrict level.

At the subdistrict level, a system (i.e. a set) of procedures of programming, implementation, control and evaluation through local development working units called UKDP has been developed for the implementation of rural development programmes. It embodies principles of coordination, rural-urban integration and self-reliant development. However, this system has been implemented with limited coverage only. During the current national development plan (1979-84), about 1 000 subdistricts (of a total of 3 349) are expected to be transformed into UKDP subdistricts.

In each village, the local development committee (LKMD) prepares a series of project proposals reflecting the wishes of the local community. The village head is recognized as the coordinator of rural development activities in his own area. The role of the LKMD is to assist the village head in formulating the village development plan, in promoting community participation and in strengthening the resilience of the village.

### Finances for planning at the subnational level

Funds for development projects come mainly from the following three sources:

- (i) the National Development Budget: these funds are channeled through central line agencies;
- (ii) the Provincial Development Budget: these funds are made directly available to the provinces. Expenditure of this budget is an autonomous decision of the provincial government. Bappeda is the body responsible for planning and programming.
- (iii) Presidential grants (INPRES): directly dispensed as per caput grants to various levels -- provinces, kabupatens and villages -- as a stimulus to development. INPRES projects originated as crash projects to speed up implementation in emergency situations. Now they are being used as the vehicle to provide basic social services. In general, INPRES is the mechanism for administering large, population-based grants directly dispensed by the centre for projects of great social significance.

Based on the source of funding and the mode of administration, rural development programmes of four categories may be distinguished at the subnational level: (a) projects planned and financed by the central government and implemented or performed by central government field officials. Such projects are usually sectoral in nature and are implemented through the mechanism of deconcentration. In the agricultural sector, some parastatal organizations have been set up to develop certain subsectors of activity, such as plantations; (b) projects planned and financed by local governments and performed by local officials through the mechanisms of decentralization. These are identified as local projects; (c) projects planned and financed by the central government but performed by the local government apparatus through the mechanism of 'co-act' in administration. INPRES projects come under this category; and (d) projects planned and financed by the rural community through community initiative.

### Executive decentralization

Because of a lack of capabilities at the lower levels, all project planning, including that of INPRES projects at the village level, is attempted through central initiative and direction primarily through government administrative channels. Political decentralization is far from sight. What is happening has been described as 'executive decentralization'. 1/

### Concluding observations

The Indonesian experience shows that the necessary structures for decentralized planning have been or are being created, but the capabilities for an effective multilevel planning process are yet to be developed. The coordinating mechanisms at the provincial and kabupaten levels need considerable strengthening in terms of technical expertise, delegation of powers and control over departmental personnel.

### THE PHILIPPINES

#### Political system and administrative structure

The Philippines has a unitary presidential-type of government along with a parliamentary system. The administrative structure of the country consists of the central government, the regions, provinces, cities and municipalities and the barangays (villages). The five-year plan (1983-87) is currently under implementation.

#### Planning structure and functions

Before 1973, economic planning and policy formulation functions of the government were widely dispersed among a large number of bodies such as the National Economic Council, the Presidential Economic Staff (PES), the Fiscal and Financial Policy Committee, the Interagency Technical Committee on Foreign Economic Policy, the Committee on Regional Development etc. All these bodies were superseded through Presidential Decree no. 107 on 24 January 1973 by the National Economic and Development Authority (NEDA) which assumed all pertinent functions previously performed by these bodies. The President is the chairman of NEDA. The NEDA organization has two levels, the NEDA board and the NEDA technical staff. The former is a policy and decision-making unit chaired by the Prime Minister with cabinet-level ministers and senior officials of the government as members. The NEDA technical staff is headed by the director general who also holds the title of Minister of Economic Planning. Several standing committees attached to NEDA facilitate the performance of its plan/policy formulation and coordination functions. These committees are the Development Budget Coordination Committee, the Investment Coordination Committee and the Statistical Advisory Board. The NEDA, in turn, has established the regional development councils (RDCS) and the NEDA regional offices (NROS) in all regions of the country.

#### Regionalization strategy

Regionalization was introduced in the Philippines in 1973 with a view to: (a) secure integration of the national economy, (b) improve resource allocation and achieve balanced

distribution, (c) tackle income inequality and reach various target groups, and (d) serve as an instrument for the democratization of development. The RDC is composed of the council proper, with a chairman appointed by the President from council members, the executive committee and the technical staff. The council itself is composed of governors and city mayors of the provinces and cities which constitute the region, regional directors of national government agencies (in the region), general managers of regional or subregional development authorities (in the region), and regional executive director of NEDA. At the middle layer below the council is an executive committee composed of two representatives from among the provincial governors and city mayors of the council, regional directors of some departments, and managers of regional and subregional development authorities with the regional executive director of NEDA as its ex-officio chairman. The coordinative and planning functions of the RDCS are facilitated through the sectoral task groups (SECTAGS) organized for each of the nine planning sectors.

### Linkages

At the provincial/city level, the coordination of planning among agencies in the province is done through a provincial development council (PDC) which is chaired by the provincial governor. At the city/municipal level, coordination is effected through the city/municipal development council and the Ministry of Local Government and the Ministry of Human Settlements. For vertical coordination, direct planning linkages exist between (a) the NEDA board and the RDCS, (b) the provincial development councils and the municipal development councils, and (c) the RDCS and the provincial development councils.

To increase the effectiveness of regional development councils, two more measures were introduced in 1977. These were (a) the regionalization of the national budget, and (b) the provision for a regional development fund. All department and agency heads were advised to ask their regional offices to evolve their regional budgets in conformity with the priorities established by the regional development council. The chairman of the regional development council has been conferred the power to recommend to NEDA and the budget commission priorities in the allocation of budgetary resources. However, this power is a limited one, as the chairman must contend with departmentally established and supported sectoral priorities in the implementation of programmes and projects.

Before 1977 the RDCS functioned as purely coordinative planning bodies without any implementing function. Since 1977, however, a provision for a regional development fund has been made in the national budget to implement regional projects identified by the RDCS under certain guidelines set forth by the NEDA and the budget commission. The chairman of the RDC

has been conferred powers to administer the regional development fund.

### Problems

During the implementation of the regionalization strategy, many problems emerged which seriously impede the attainment of the objectives of regional development. Some of these are as follows:

(i) the reluctance of some departments and their bureaux to devolve functions to the regions as prescribed by the Integrated Reorganization Plan (IRP). Thus at the regional level, some regional offices enjoy certain powers not similarly enjoyed by others. This has tended to deter some regional directors from committing their agencies to decisions arrived at in the meetings of the regional development councils;

(ii) difficulties of the region in recruiting and/or attracting suitable people with the needed expertise;

(iii) lack of common regional centres for regional offices and inadequate facilities owing to a lack of funds; and

(iv) lack of or inadequate authority of the regional development councils over regional officers, local governments and subregional or supraregional development bodies such as integrated area development (IAD) schemes and regional development authorities.

The technical staff of the RDCs are in the NEDA regional office (NRO). The staffing of NROs seems to be handicapped by a scarcity of competent manpower. In practice, the operation of the RDCs is greatly hampered because of the minimal power entrusted to it. Its functions are relegated to coordination with mere moral persuasions, administrative sanctions and recommendations. The effectiveness of the chairman of the council does not depend on formal authority, but on informal bases of power and authority, such as personality factors and affiliations with higher level administrators and political leaders. Since the chairman's coordinative function is not backed by supervision and control over the members of the council, coordination in the RDCs takes the form of an exchange of information. In these terms, RDCs have reportedly been described simply as 'talking forums', where the members discuss their own programmes, clarify points, negotiate differences, and arrive at a consensus, but are unable to implement their decisions.<sup>2/</sup> Budgeting (regional budgeting) powers do confer some authority to coordinate. But in the absence of technical expertise and with a lack of studies concerning resource allocation, the RDC has difficulty in exercising these powers effectively. What is taking place now can probably best be described as regionalization without (sufficient) decentral-

ization.<sup>3/</sup> Against an increased allocation of responsibilities at the subnational level (region and province), a decentralization of authority has not occurred. Thus the RDC seems to lack the political and administrative authority to influence the decisions of both the regional administration and local governments in planning and implementing programmes and projects.

#### The different planning approaches

Through the years, several significant planning approaches have been evolved in the Philippines. Supplementing sectoral planning at the national level is the regional planning approach which has enabled a regional dimension to be incorporated into each sectoral plan to reflect the particular sectoral needs of each region. To accelerate the development of depressed areas and to uplift the living conditions of the rural poor, the IAD approach is being implemented in selected areas where foreign aid is channelled to supplement the normal planning effort. The IAD approach is also being used to formulate development investment programmes for the regions. Regional development investment programmes (RDIPs) are meant to translate regional development plans into more specific programmes and projects. Apart from these approaches, the human settlements approach (which is implemented by the Ministry of Human Settlements) seeks to identify and develop the spatial implications and components of national and regional development plans, policies and programmes.

#### The Integrated Area Management System for Agricultural Services

From the point of view of agricultural development, a very important approach developed in the Philippines is the Integrated Area Management System for Agricultural Services (IAMSAS) which has been implemented since mid-1982.<sup>4/</sup> The main feature of IAMSAS is its organizational structure which is aimed at strengthening the administrative framework for the delivery of services that provide: (i) programme integration and the coordination of various government agencies involved in the delivery of agricultural services vis-a-vis people's participation in the whole process; (ii) an implementation strategy to ensure effective service delivery; and (iii) the broadening of the powers of the governor to facilitate the general condition and supervision of the total delivery operation within the province. All these are operationalized in the integration of the vital components of agricultural development (i.e. technology and research, infrastructure, credit, extension and marketing) which are provided by the various agencies involved in the delivery process.

The organizational structure for IAMSAS consists of the National Food and Agriculture Council (NFAC) at the national level to assist the Ministry of Agriculture in formulating policies, plans, programmes and guidelines on the delivery of

agricultural services and inputs and a provincial agricultural council (PAC) chaired by the governor to function as the key mechanism for achieving the coordination of operations of agencies involved in the delivery of agricultural services. A provincial agricultural executive officer (PAEO) designated by the governor with the approval of the Ministry of Agriculture assists the governor in day-to-day functions. To ensure the implementation of IAMSAS, the Ministry of Agriculture has initiated several projects, namely, the Preparation of Guidelines for Land Classification, the Manual for Land Resources Evaluation, Preparation of Development Standards for Extension Personnel, a complementation programme, (to increase farm productivity, to develop effective marketing systems and to achieve a 10% increase in the real net income of farm families), a data delivery and management system and a research structure for agriculture.

One criticism of IAMSAS is that it is a top-down strategy, the only two interacting levels being the national level and the provincial level. The role of local government in the integration of various local agencies involved in the delivery of agricultural services seems to have been less appreciated. In this sense, a more decentralized mechanism is advocated. Although the governor is the key coordinator of the programme, his powers are limited by the fact that his actions (e.g. appointment of a PAEO) need the approval of the Minister of Agriculture.

The executive order spelling out the establishment of IAMSAS outlines a decentralized structure specifying the role of agencies/entities at various levels. Broadly, these are as follows:

- (i) Centre (Ministry of Agriculture): policy formulation; monitoring at national level; promulgating general performance standards and guidelines; consultation/collaboration with participating agencies, etc.
- (ii) Regional level (regional development council): formulation of regional agricultural development thrusts; drawing up a regional integrated agricultural development plan based on the provincial integrated agricultural development plans (PIADP); approving appropriate land use; establishing regional agricultural research thrusts and programmes; establishing regional guidelines for the development and training of extension personnel; overseeing, coordinating and monitoring at the regional level.
- (iii) Provincial level (provincial agricultural council): preparation of provincial integrated agricultural development plan; determining the



extension services and inputs needed; monitoring and evaluation; adopting a deployment scheme for agricultural extension workers; formulating linkage policies; securing the commitment and assurance of the various agencies for services and input delivery.

- (iv) **Municipality:** direct coordination and supervision of the implementation of PIADP; deployment of extension workers; identification of operational problems and their resolution.

#### Coordination problems and organizational structures

Philippine experiments in regionalization provide considerable insights into the administrative response to developmental problems and the structural limitations to effective coordination; as such they have great relevance to multilevel planning. Apart from the regional development council model, there are two other models, namely the one adopted for the Metropolitan Manila Commission and the other proposed for the two autonomous regions in the country (regions IX and XII). These approaches have been designated as the Council Model, the Administrative or Area Manager Model and the Local Government Model, respectively.<sup>5/</sup> Each of the three models represents varying degrees of political and administrative authority over the component elements for regional development, i.e. regional offices of national departments, regional development authorities and local governments.

In the council model, the coordinator is elected from the council members (now a presidential appointee) who is a co-equal of those being coordinated. The RDC does not have substantial funding to be able to implement its own programme, nor does it have adequate manpower. Some strengthening of the RDC has been attempted by making the coordinator a presidential appointee, thus giving him political status. But still the control over line agencies is incomplete and thus makes the RDC a weak organization for bringing about horizontal coordination. The administrative model changes this structural set up and cuts the tie between field personnel and national ministries.

Under the administrative model, all field personnel are placed under the supervision and control of an area manager, who thus has greater formal power and authority than the chairman under the council model. The Metropolitan Manila Commission, which is similar to this model, is headed by a governor appointed by the President. The crucial feature of the model is that the area manager exercises administrative supervision and control over the functional specialists in the area.

The local government model is exemplified by the set up proposed for the two autonomous regions. This model seeks to promote the participation of the people by making the highest executive (the coordinator) an elected official, the assumption being that an elected official is more representative (and therefore more responsive) than an appointed one. As in the administrative model he has administrative supervision and control over functional specialists in the region.

The problems present in intermediate level coordination are brought out in the above experiments. Apart from the structural aspect of coordination, the intermediate level must also have the requisite degree of capability to perform the coordinating functions. Operationally, these are significant issues in multilevel planning.

### Significant developments

An important aspect of the process of decentralizing political and administrative authority to the subnational level in the Philippines is the evolution of the region as an interposed structure between the centre and provincial levels. In an effort to institutionalize regional development planning and implementation at an intermediate level, the Philippine government has experimented with a variety of structural approaches which provide valuable insights into the relative efficacy of coordination mechanisms. Although the region is emerging as a coordinative planning level, it does not seem to have taken over the planning functions of the lower levels. In the agricultural sector for instance, while problems are being defined, prioritized and assessed regionally, the burden of agricultural planning and programme implementation is still concentrated at the provincial level and below. An important development in this context is the emergence of IAMSAS which seeks complementation and merging of line agency technical resources at the provincial level and their effective deployment through an integrated agricultural development programme.

### Fiji

#### Political, administrative and planning structure

Fiji is a group of islands with a unitary structure of government. The apex planning body at the national level is the central planning office which is an autonomous entity with a contributory role to development. Currently the eighth development plan (1981-85) is under implementation in the country. The formal planning of agricultural and rural sectoral development is the prerogative of two ministries, namely, the Ministry of Agriculture and Fisheries (MAF) and the Ministry of Fijian Affairs and Rural Development (FARD). The administrative structure at the subnational level includes the

province, the division, the district and the village. The administrative levels significant for planning are the division, the district and the village.

There is a provincial council, a district council and a village council and at the divisional level, a divisional development committee. There is a divisional planning officer who should really be planning for all divisional projects. This, however, is not the case at present. In fact, there is no unified structure of planning administration either at the divisional or district levels.

#### People's participation in the planning process

People's participation in the planning process is formalized through the district and village councils. For agricultural development, farmers' views and participation are sought through regular meetings both on an individual and a collective basis.

#### Proposed measures of decentralization

The eighth development plan (1981-85) of Fiji has proposed a strategy aiming to decentralize decision-making and budgeting to the divisional level to the extent practicable, necessary and desirable. The divisional budgets are proposed to be restructured to take into account regional backwardness and potential. This process of greater decentralization implies a greater delegation of functions and the use of unconditional grants from the central to lower levels of government. The current level of delegation of responsibility and authority to divisional development committees DDCs is very limited. DDCs have some form of choice with regard to prioritizing the following items: new rural roads, road sealing, rural road upgrading, radio, telephones, beacon and reef blasting, jetties, nursing stations and health centres. In the change that has been proposed, firstly budgetary activities -- which could be administered at the divisional level or below -- will be identified and some degree of effective control is expected to pass to the divisional level. It is also necessary to improve the decision-making role of the DDC on government activities. At present, new project proposals developed by divisional staff are not discussed by DDCs before they are transmitted to head offices.

#### Concluding observations

The Fiji experience indicates that although the necessary structures have been created at the various levels, interactional procedures among these structures and their functioning in a democratic framework have yet to flower. More functional decentralization and greater flexibility of the budgetary system are necessary to improve the present, overly centralized administrative structure.

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- 5/ R.P. de Guzman and A. Rilliantes, Jr.; Towards a More Effective Coordination of Planning and Implementation of Development Programmes/Projects: The Integrated Area Development Approach. Paper prepared for the National Conference of Local Government Executives held in Manila 31 January - 5 February 1979 and for the 24th World Congress of the International Union of Local Authorities held in Manila, 5-9 February 1979.

## Chapter IV

### LESSONS FROM COUNTRY EXPERIENCES

#### Organizational Structures for Multilevel Planning

The countries whose experiences in multilevel planning were described in the foregoing discussion, cover a wide range of political systems and administrative structures. Some have a federal system and others a unitary system. In terms of administrative structures, some have tall structures with a number of hierarchical levels and extended lines of command. Others have flat structures with relatively few hierarchical levels. On the whole, federal systems with tall structures seem to be more complex from the point of view of the management of multilevel planning. This is because the problem in multilevel planning is not only one of designing and coordinating a national planning system with models for different levels, but also of setting up an administrative structure with the organization of decision-making levels and the establishment of decentralized procedures suited to a particular configuration. What is even more important is to integrate this policy analysis and administrative system with the decentralized political system of the country. The question of organizational structures -- tall or flat structures -- for multilevel planning cannot be answered in a simple either/or fashion without reference to size, the operating planning context, the political environment, administrative and technical capabilities, the level of performance, and costs and benefits. While trying to apply these various dimensions to differing situations, many problems arise and a compatible and integrated structure for multilevel planning takes a long time to evolve.

#### Levels of Planning and Decision-making

The existing subnational administrative levels in various countries differ widely in size and terminology. A comparative table of administrative levels (in relation to population) in selected Asian countries may be seen in Figure IV-1. Decentralization trends in these countries show that each country has chosen its own key level for planning and decision-making, where efforts to decentralize are currently being concentrated. These area levels vary widely in terms of size and scale. The following table shows these variations.

Fig. IV-1

COMPARISON OF ADMINISTRATIVE LEVELS IN SELECTED ASIAN COUNTRIES  
(IN RELATION TO POPULATION)

Scale	Bangladesh	India	Indonesia	Nepal	Philippines	Sri Lanka
		National 600 000 000	National 142 000 000			
100 millions	National 88 000 000				National 46 000 000	National 15 000 000
		21 States 30 000 000	27 provinces 5 500 000			
10 millions				National 14 000 000		
	20 districts 4 400 000	341 districts 2 000 000	295 districts/ Kabupaten 540 000		73 provinces 630 000	24 districts 650 000
1 million				75 districts 200 000		
	435 theams 200 000	5 000 blocks 130 000			1 445 municipalities 32 000	244 divisions 60 000
100 000			3 300 subdistricts/ kecamatan 40 000			
10 000	Villages	Villages	Villages	Villages	Villages	Villages

SOURCE: Guidelines for Local-Level Planning in Rural Areas - Reports of National Workshops held in six Asian Countries (from December 1980 to April 1981). United Nations Economic and Social Commission for Asia and the Pacific.

Table IV-1

Country	Concentration of Decentralization Efforts: Key Level	Average Population (1983) in millions	
		Total	Rural
Bangladesh	Thana	0.21	0.18
India	District	1.76	1.34
Indonesia	District/ <u>kabupaten</u>	0.53	0.41
Nepal	District	0.20	0.19
The Philippines	Region	4.10	2.56
Sri Lanka	District	0.66	0.43

From Table IV-1, it may be seen that while in Bangladesh and Nepal the unit area level -- where the decentralization effort is concentrated -- has a population of around 0.2 million, in Indonesia and Sri Lanka the population size is double that, i.e. around 0.4 million; in India it is more than six times (1.34), and in the Philippines more than ten times (2.56) the lowest figure. With the variation in the size of the unit area level, the intensity of decentralization would also vary. For instance, when the unit area has a smaller population size, it facilitates the direct involvement and wider participation of the people in the development process and vice versa.

Country experience also shows that many countries are still struggling with the problem of establishing appropriate and integrated area levels for decision-making. In response to emerging planning imperatives, some countries are either introducing a new tier or are eliminating an existing tier to achieve desired objectives. Thus the present reorganization in Bangladesh, for instance, has sought to eliminate one tier of the administrative levels and to initiate various steps to strengthen the chosen local level for planning, i.e. the thana in terms of capacity and further devolution of power.

In India there is discussion on assigning some planning functions to an intermediate level, i.e. a cluster of districts forming a 'division' with a population of about 10 million. In the Philippines, while the 'region' has been introduced as an intermediate tier and its coordinating role is being strengthened, the 'province', with an average population of 0.6 million has been made the focal point of area integration in the delivery of agricultural services and inputs. All these experiences show that decentralization is something much more than a mere tinkering with administrative levels. Unless the structures devised at each level are fully capable of taking over increased responsibilities and performing effectively,

thus making decentralization a reality, the purpose will be defeated. Thus in Indonesia, the weakness of the lower structures may be the reason for the persistence of top-down planning. Fiji seems to have established structures without adequate powers and authority.

#### Multilevel Planning: Function-Sharing Among Levels

There are wide differences among countries in terms of the functions performed at the various levels because of the differences among them in development administration setup, personnel constraints and attitudinal factors. Hence there can be no single model for multilevel planning applicable to all countries alike. Nevertheless, country experiences point to a broad division of labour among the different levels. Normatively, the trends seem to be in the following directions:

The centre performs the functions of designing the macroframework, including the formulation of policies; the setting of a development strategy and priorities; the mobilization of resources; making investment allocations; and the formulation of the national plan.

The intermediate level under the overall guidelines provided by the centre, and with inputs from the local level, prepares regional development plans and performs coordination functions. Inputs from the intermediate level have an important impact on the decisions of the centre.

The local level concentrates on programming and project formulation and implementation under the direction of the intermediate level. Inputs from the local level are essential ingredients for the formulation of regional and ultimately national, development plans.

#### Multilevel Planning: The Different Phases

Country experiences also reveal that while there are problems in multilevel planning that are common to all countries, the paths to decentralization are divergent. Also these countries differ in terms of the nature and the intensity of their experience. Thus some of the countries analysed here have had a comparatively long history of experimentation with decentralization extending over a period of twenty-five years or more (e.g. India, Nepal and Bangladesh). In others, like Indonesia, the Philippines, Sri Lanka and Fiji, this



experimentation has been comparatively recent. Also, notably, the impact resulting from these experiments are not in the nature of a continuous trajectory of change in one channel along a centralization-decentralization continuum, but are marked by shifts in the channel as well as in the pace and pattern of change, showing that they are made up of different phases with a differing emphasis. Their accumulated experience of trial and error and the intensity of experience notwithstanding, the incremental change that has accrued in terms of the extent of decentralization is difficult to quantify. There are also methodological difficulties in evolving statistically valid and reliable methods of measuring differences between organizational structures in a multinational context. Thus it is difficult to place the various countries along a single scale of decentralization and to comment on their achievements.

The Indian experience, for instance, is punctuated by three distinct phases, namely (1) An experimental phase with democratic decentralization (the fifties and sixties), (2) A phase of experimentation with microlevel planning (the seventies) and (3) A phase of proposed systematic decentralized district planning to begin in 1985. Nepal seems to have passed through two phases, the first one in the sixties with the implementation of the Local Administration Act of 1966, and the second one during the late seventies with the implementation of the Integrated Panchayat Development Design in 1978, and is now poised for Phase III which is yet to begin with the implementation of the Decentralization Act of 1982. In Bangladesh, two major phases may be distinguished, one in the sixties which represents the evolution of the Comilla Model of decentralization and attempts to repeat it, and the other which began in 1982 with the implementation of the Thana Administrative Reorganization Ordinance.

The experiments in decentralization in Indonesia, the Philippines, Sri Lanka and Fiji are all post-1970 developments. Thus they come later than those of India, Nepal and Bangladesh.

#### Multilevel Planning: Present Trends and Rationale

Country experiences point to the fact that decentralization is a hard path and the setting up of appropriate institutional arrangements and the evolution of procedures to render the multilevel planning process a reality take a long time to accomplish. In the countries described here, the two-way process in planning does seem to operate more or less satisfactorily between the central level and the area

level just below it (called differently in various countries 'province' or 'state'). However, decentralized planning at other subnational levels is poorly articulated, although rapid changes in this direction are now taking place in many countries. With the changing orientations in development (discussed in the introductory chapter), and with new approaches to planning for poverty alleviation emerging in the countries of the Region, every country is now keen to decentralize its planning and decision-making apparatus so that local potential and problems can be appropriately taken into account and better development performance ensured. The rationale for this decentralization stems from two critical considerations, namely equity and people's participation. In this context, multilevel planning is viewed by governments as both a politico-administrative innovation and a development strategy.

### The Political and Social Time Preference For Decentralized Planning

The extent of the decentralization effort and its content varies among countries. How much to decentralize in a given situation seems to be a key, relevant question. The right choice would seem to depend on the existence of certain prerequisites, including the organizational-administrative matrix of the given situation, the quality of personnel -- particularly at the lower levels -- and the attitudinal factor among politicians and administrators. In this, as in many other pieces of reform, there operates a certain political and social time preference. Country studies bring out this aspect well. The Indian experience shows very clearly the need for establishing prerequisites for multilevel planning. These could be set out as follows: defining the scope of decentralization; assigning functions to each level; determining allocation criteria; encouraging some localism in planning through the provision of unconditional or untied funds; delegating powers including budgeting powers; and ensuring capabilities to plan and to shoulder the decentralized responsibilities.

The case of Nepal clearly brings out the insurmountability of the attitudinal factors in decentralization. Two successive phases of experimentation could not come up to expectations, despite a grand design, because of the attitudinal barrier of the sectoral agencies to parting with powers to the lower levels. In view of these impediments, the next phase of decentralization has been contemplated with legislative backing and with various support measures such as training.

## The Two Variants of Decentralized Planning

Regarding the routes to decentralization followed by the countries, two variants are striking. One is decentralized planning carried on, by and large, within the administrative framework. The second is decentralized planning undertaken in a political framework. India and Fiji are examples of the first type. In these countries, the political institutions at the various subnational levels do exist, e.g. the panchayat raj institutions in India and the provincial, district and village councils in Fiji. But for various reasons they seem to be performing only a limited or marginal role in actual planning. In India, for instance, in some states, the panchayat raj institutions have been reduced to implementation agencies to perform limited implementation functions only. For the performance of the planning functions, separate bodies have been set up under a minister of state (e.g. in the Gujarat and Maharashtra states) in which representatives of panchayat raj institutions are also associated. This arrangement has been found to be more conducive in the particular circumstances to ensuring better coordination at the district level and better integration of the district plan with the state plan.

Nepal's Decentralization Act seeks to bring under one umbrella the political process and the government functionaries of development. In view of the difficulties and problems faced during earlier experiments in decentralization, the rules and procedures that are currently being drafted to make the Decentralization Act operational propose to introduce necessary checks and balances to ensure the smooth working of the system. Bangladesh and Sri Lanka are also going through a vital phase of politico-administrative transformation. The case of Sri Lanka points to the essential policy role of elected representatives in the decentralized decision-making processes.

What is required, therefore, is to design a joint system which incorporates the various participants in the decision-making process (i.e. both elected representatives and officials) in a relationship of interdependence and with some regulating mechanisms. Such a development would be a matter of evolution. It would be conditioned by the capacity of the people concerned and their experience and traditions. Country experiences show that national governments are fully aware of the subtleties and complexities of the problem and are seeking to develop a structure that is best suited to their development situation. While rationalizing structures, it should be emphasized that there is no 'one, best-way formula' for decentralizing. Each situation must take note of its particular characteristics and 'contextual' constraints.

## People's Participation

An issue related to the question of structures and roles is the nature and extent of people's participation in various country situations. Available data do not consider whether the structures evolved in the different countries for planning at the subnational level have actually evoked a broad-based participation of the public at the various strata of society. Every country examined here, however, has provided for some kind of formal public participation in its planning structures designed for the subnational levels. In addition, various countries have also provided for participation of various kinds in specific programmes. The Nepal experience shows that people's willingness and capacity to participate are essential factors in determining the efficacy of public participation in any situation.

## Organizational Structure for New Programmes

In a number of countries, alternative frameworks have been devised to implement programmes with new thrusts in rural development on a decentralized basis. These represent attempts at the institutionalization of the IRD strategy. The establishment of a new agency in India, the creation of a separate department for integrated rural development in Bangladesh and the project-based approaches followed in Nepal for foreign-aided IRD projects are examples. The existence of certain financial, operational and administrative constraints prevailing in the normal administrative system and preventing the effective implementation of projects is the reason given for creating new structures. Wherever such institutional mechanisms have been created, they have undoubtedly sought to overcome constraints.

But a weakness in the structures is that their programmes have not been effectively dovetailed or meshed with other programmes. This has created difficulties in some countries both in the planning as well as the implementation stages. In a multilevel planning system, the goal is to institute permeative and cohesive planning and implementation structures. In this sense, fragmented structures are to be avoided. Wherever special efforts are made, they should be conceived in the context of integrated area development programming and linked to a systematic subnational planning and development effort. This point has been recognized in some countries. The establishment of the National Council on Integrated Area Development (NACIAD) in the Philippines, along with its multilevel organizational structure to facilitate the implementation of area development projects, is an example of

this. Also in Sri Lanka the organization for planning and implementation of IRD projects emphasizes the role of existing sectoral agencies at the district level.

#### Decentralization of Functions and Finances

A point on which there seems to be a consensus among countries is in regard to the need to effect a decentralization of functions and finances. These steps have been recognized as essential prerequisites for multilevel planning and many countries have acted to define the scope of planning at the different levels of decision-making and also to make appropriate arrangements for financial decentralization. These appear to be relatively easy tasks. However, when it comes to decentralizing power and authority, it becomes really a delicate issue and meets with stiff resistance at the higher levels.

#### The Problem of Coordination

Country experiences show that another intriguing problem in multilevel planning relates to the coordinating mechanism at the different levels. Unless a suitable mechanism is devised to cut across sectoral lines and to bring effectively under their supervision and control the staff of the line agencies, no worthwhile coordination will take place. The functioning of the regional development councils in the Philippines and the bappeda in Indonesia are examples. Here the coordination models tried in the Philippines are quite instructive.

#### The Problem of Developing Capabilities for Planning

Yet another finding that has emerged from the country studies is the fact that any multilevel planning experiment has to be buttressed by a 'capacitation approach'. This implies that any decentralization can be successful only if it is compatible with the capacities available to shoulder the responsibilities which have been sought to be decentralized. The building up of capabilities at the lower levels is a problem that takes time and is related to various other issues such as the availability of qualified personnel, recruitment procedures, personnel emoluments, incentives, career opportunities and training arrangements.

In any country, talents are attracted to the top and there is a relative reluctance on the part of talented personnel to accept jobs in the lower tiers of administration. In this situation the staff at the lower levels must be continuously trained to shoulder responsibilities of increasing complexity. The problem here may also be partly behavioural for even when some authority is delegated to the lower levels, the staff in position may be reluctant to exercise their new authority, perhaps from habit or fear that they will commit mistakes. Problems of this nature can be tackled only through intensive training programmes.

### The Package Approach to Multilevel Planning

Thus country experiences show that a set of favourable conditions must be present for any experiments in multilevel planning to succeed. Among other conditions, this set would include:

- (a) political and official willingness and commitment to operate a multilevel planning system;
- (b) an appropriate politico-administrative structure for multilevel planning clearly distinguishing the roles of the partners;
- (c) a clear definition of function-sharing among the levels;
- (d) the provision of adequate financing to the various levels to match the functions to be performed in accordance with a rational allocation criteria;
- (e) the granting of the power and authority to mobilize funds at lower levels to augment 'transfers' from higher levels;
- (f) autonomy to plan for the decentralized sector in line with national priorities and objectives;
- (g) a properly equipped planning machinery with adequate capabilities to plan, programme, analyse and translate projects; and
- (h) adequate powers and authority at subnational levels as well as freedom to function within reasonable limits of control.

Just as a 'package' approach is indicated for the successful impact of programmes in agriculture and other sectors, so also for decentralized planning to succeed there are certain threshold conditions demanding a package effort. The package idea suggests that all essential elements be made available simultaneously in desirable proportions for the success of the programme. Injecting one or two elements in isolation does not succeed; such attempts lead to a lopsided decentralization. In the case of Sri Lanka, the introduction of district budgeting without the stipulation of a district plan, or the introduction of a district political authority system without supporting lower-level democratic bodies are examples of partially designed packages.

#### Certain Essential Requisites

Lastly, over the years the countries have developed certain organizational structures and mechanisms and evolved procedures for planning at various levels. These are in themselves great assets which hold immense 'ignition potential' for making further progress on the path to decentralization. It would be wise to build on these existing structures, expanding and adapting them as necessary to accelerate the pace of decentralization. Any move toward decentralization, apart from being realistic in terms of building on the foundations of the past, should also be persevered as a consistent effort and the country following such a policy should be fully committed, to it. Thus commitment, realism and consistency in approach are essential for a decentralized undertaking in planning.

## Chapter V

### MULTILEVEL PLANNING SYSTEM: STRUCTURES, FUNCTIONS, FINANCES AND LINKAGES

#### Multilevel Planning: A Country-Specific Approach

The planning system of any country must be reviewed in the context of its political and social system. Attempts to analyse changes in the whole system, its parts or various levels in isolation from the political forces and administrative changes in the country will be counter-productive. Indeed, the choice of a development strategy, policy design and plan framework and the enforcement of plan discipline in development administration and management are crucial decisions for government at all levels. They are vital aspects of the politics of a country, the sovereignty of which must be respected. The search for ways to improve multilevel planning must be based not only on a recognition of this first principle, but also on full acceptance of its implications. It would, therefore, be unrealistic to think in terms of a general or ideal model applicable to all countries.

That multilevel planning is in this sense country-specific is amply borne out by the country reviews of the last three chapters. No two of the seven countries in Asia and the Pacific have chosen the same path toward the decentralization of agricultural and rural development planning. This has been so despite a general avowal of objectives to improve efficiency in resource use and management at national as well as local levels, to ensure an equitable distribution of benefits especially in favour of the poor, and to encourage people's participation.

The expert consultation on MLP convened by FAO in 1983 implicitly recognized this country-specificity, but also attached importance to the need for the further study and assessment of country experiences, for the exchange of information among Member Countries, and for a search for guidelines. Perhaps the first thing to note in any such guidelines is the essentially political nature of the planning process and that the multilevel planning structure and functions must be linked to the country's political system and administrative structure at national, intermediate and local levels.

#### Broad Structure of the Planning System

The planning systems of the Asian countries, or for that matter of most countries, have been developed to assist in national development strategies, policies and programmes. Initially they were too aggregated and it took time to break the economy-wide plan into sector and area subplans or programmes. In the jargon of economists, multilevel planning



has thus developed through a process of disaggregation of economy-wide models. In the same jargon, it may also be said that the total system, however large and unwieldy for optimization, is a national multilevel model with appropriate decomposition into sectors and regions.

The alternative of building a national system through the coordinated aggregation of sectoral and area planning may sound attractive in principle, but it is difficult to construct and handle. Not only are there political difficulties, but there are also difficult technical and economic problems.

In accepting the national multilevel planning system concept, its implications must be faced. Most importantly, a national plan -- whether prepared with the help of formal optimizing models or informal methods and expert judgement -- reflects a political decision on development goals and strategies, the path chosen to achieve them, methods of implementation and management, the resources to be spent, the costs and sacrifices for different population groups and design for the distribution of benefits. These decisions provide the guidelines for programmes and projects that constitute the building blocks of the plan.

Planning at any subnational level has to accept these guidelines and to concentrate on programming and project formulation and implementation rather than on independent planning for that level under entirely different premises. This does not imply that the subnational levels should not take initiatives and be satisfied with producing only their contribution and placing it in a designed pigeonhole. Far from it. Each sector and level has a responsibility to prepare its own plan, but it must be within the framework of the national plan. While it is in this sense that planning at these levels may approximate programming more closely, there has to be a caveat for the plans of states in a federal structure.

#### Levels in the Planning Structure

The country practices reviewed in the previous chapters indicate a diversity of approach to decisions at the different subnational levels below the state/province. In deciding on these levels, the existing administrative structure has often been the main consideration, no matter how prepared or appropriate the structure might be at different levels. In certain countries in recent years, however, there seems to have been a rethinking of this approach and an attempt to restructure the different levels.

It is difficult to generalize as to how many tiers or area levels of decision-making are optimal for effective decentralized planning. The political setup of a country, its

size and population, and the general nature of its farming system should be appropriately taken into account. A general guideline is that too many levels will overextend the lines of command and add to the difficulties of harmonizing programmes and coordinating management. Indeed, too many levels might even lead to compromises in programme and project formulation and execution which may be suboptimal or wasteful.

Any subnational level chosen for planning and decision-making must be a living organism, a functional entity both economically and socially. It must closely fit the geographic scope of a group of well-defined functions. This is termed functionality or a characteristic whereby functions have been matched to territory. When an area has a certain functionality, planning tasks may be organized so that those functions are performed effectively in the area. Secondly, the area level chosen for decision-making must have a certain viability. This viability must be construed in several terms such as (a) size of population, (b) land area and productivity, (c) the nature of human settlements, (d) the availability of administrative and technical expertise, and (e) the availability of enlightened popular leadership to carry out the tasks of planning and development. A third important consideration is administrative feasibility which may be in terms of (a) area and population, and (b) the existence of offices of line departments and agencies (i.e. regional offices) with technical expertise. Thus functionality, viability and administrative feasibility are the major criteria in choosing area levels of decision-making in a multilevel planning context.

The existing pattern of administrative structures in many of the countries in the South and Southeast Asian realm suggests that for effective subnational level planning in the agricultural and rural development sector, a three-tier structure consisting of an intermediate, local and village level would provide a reasonably satisfactory multilevel planning framework. The intermediate and local levels may have to be suitably defined for a particular country in the context of its existing administrative structure.

#### A Hypothetical Multilevel Planning System

The following diagram (Fig. V-1) provides a hypothetical scheme for a country's multilevel planning system. It is assumed in this diagram that below the national level there is the three-tier structure of an intermediate level (variously called, as province, state), a local level (called 'district' or some other name) and the village level (which also includes the farm level). In general, reciprocal relations in the planning process may be said to currently exist only between the nation and the province/state levels. When a multilevel planning framework is established, the district level, along with its other local levels, tends to be drawn into the



decision-making framework. The national and provincial levels will now interface at the district level with local planning groups, i.e. the district and village councils, which acting on their own behalf, will generate proposals for development schemes, projects and programmes and participate with the national and provincial officials in their implementation. If adequate taxation and other financial powers are given, the district level could also mobilize some resources on its own and achieve a certain measure of self-reliance. Thus in the kind of multilevel planning framework envisaged here, the planning for any sector would have two principal points of origin: (1) the sectoral department at the national level, whence policies, broad programme targets and allocational decisions percolate downward, and (2) the district level where local priorities, people's preferences and information on local resources and constraints are used to prepare proposals for action and sent upward for the planners at higher levels to be harmonized and given final shape.

The practical problem is how to bring proposals originating at these two levels into conformity with each other and to ensure their consistency with the overall premises of national planning. For this purpose, the introduction of an intermediate level of planning may serve a useful purpose. Such an intermediate tier would essentially be a planning and coordinating level and would complement, rather than supplant, local-level planning activities. Besides serving a useful function between the national and sectoral approaches in planning and providing an appropriate framework for local-level activities, it would also help to bring about (a) integration in the national economy, (b) improved area resource allocation, and (c) a narrowing of disparities in income and other inequalities.

#### Multilevel Planning: Role and Functions of Different Levels

A search for similarity in country experiences brings out a few broad lines of development. One of these is the growth in the level of sophistication in the planning process at the national level. Another one, and probably a corollary to this, is the recognition of the need to strengthen planning at the first subnational level -- states in the federal system and provinces in the unitary system.

The trend toward strengthening planning at the state/provincial level has not, however, diluted the responsibility of the centre for decisions on development strategy; the design of the macroframework; priorities and policies; intersectoral programming; mobilization and allocation of overall domestic resources and foreign aid; and sponsorship of special programmes. Nor should the role of the centre in such matters be weakened in these respects in the interests of national unity and integration, balanced regional development

and special attention to the poor and weaker sections of the community. Indeed, function-sharing in multilevel planning must begin by accepting this general role and responsibility of the centre.

The implications of this are easier to define for a unitary centre-province structure than for centre-state relations in a federal structure where states may develop their priorities especially in their allotted fields or subjects. However, they must follow fiscal and other disciplines. Although the financial resources and fiscal responsibilities of the states are subject to periodic review and readjustment, they are well defined in the constitution of the country. In other words, constitutional provisions should and usually do, define the nature of the role and function-sharing by the states.

In the unitary system of government, the decentralization of the planning functions to the provincial or regional level (should this be the next level) is the prerogative of the central government. This implies decisions on the nature of the planning functions to be entrusted to this level; the allocation of financial and other resources necessary for the proper discharge of functions; the laying down of criteria and guidelines for the allocation of resources as well as for the formulation of programmes and projects in line with national policies; and assistance in developing appropriate institutions and expertise.

Similarly, while seeking to decentralize below the first subnational level to units like districts, subdistricts, etc., the centre (in the unitary system) and the state/province (in the federal system) must decide on the allocation of functions appropriate to these levels. Thus in India, while the centre-state jurisdiction of functions has been laid down in the constitution itself, the state/district allocation of functions is indicated through an executive order by many states. To define the planning functions at the subdistrict level, in 1978 the planning commission of the Government of India appointed a working group which broadly set out subdistrict (block) level planning functions as distinct from district- and state-level functions. 1/ In Bangladesh, the Thana Reorganization Ordinance spells out retained and transferred subjects. 2/ In Nepal, each department has carried out an exercise in the disaggregation of functions to the district level for operationalizing the Decentralization Act. In the Philippines, Executive Order 803 spells out the roles and responsibilities of the national, regional, provincial, city, municipal and barangay levels for managing the integrated area management system for agricultural services. Thus, it has been recognized that the demarcation of functions among the different hierarchical levels is one of the essential first steps in the multilevel planning process to ensure the smooth working of the

system. Experience shows that wherever this has been attempted, there has been considerable resistance from line ministries/departments. In India, for instance, a close examination of the functions allocated to the districts by the different states also shows that the system has not yet been perfected, that anomalies exist and that revisions are continually being made. It appears that the lack of adequate capability at the lower levels to take over all new functions and responsibilities at the same time is a serious constraint to pushing through a multilevel planning process as a one-shot operation. These capabilities take a long time to develop. It therefore seems that devolution of functions for many countries will have to proceed in steps, matching the building up of capabilities.

The nature of the functions that are amenable to decentralization at the various levels is indicated in Table V-2. The list is partial but illustrative.\* Broadly, the aspects that call for centralized decision-making are: long- and medium-term goal-setting; the specification of objectives for different temporal plans; assigning appropriate priorities and weights; policy formulation and guidance; setting targets; indicating broad planning parameters; resource allocation; monitoring and evaluation; and review and coordination.

The intermediate level in a multilevel planning scheme is a vital level as far as agricultural and rural development activities are concerned. It is at this level that bottom-up and top-down planning meet and that local-area needs envisaged for the development of the sector are aligned with national priorities for development. A major task at this level is the preparation of a regional integrated agricultural and rural development plan (RIARDEP) incorporating proposed local-level development plans and framed within the context of established national priorities. This plan should be based on a proper assessment of the resources of the region, its development potential and constraints and should set out regional agricultural and rural development thrusts as well as regional and local priorities and needs. It should set up and continually update its own data bank; assembling all available information on natural resources and socioeconomic factors. It should attempt a necessary reconciliation of data, such as bringing natural resource and socioeconomic data to a common geo-referencing base, removing anomalies from data from different sources, and preparing selected regional development indicators. Based on the sectoral and regional allocations decided by the centre, it should decide the intraregional as well as sub-sectoral allocations within the region, based on relevant criteria. It should determine the priorities of projects for each subsector as well as appropriate locations. It should exercise budgetary control, as necessary, over authorized appropriations for the region (the disbursement of funds being the responsibility of the national level) and control and direct programme implementation at the regional

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\* Coordination among various levels is discussed in Chapter VI.

Table T-2

1. Central Functions	Functions at intermediate/ state/province level	Functions at local level
<p>1. Formulation of national development strategy and policy: Setting of long-term goals: - Specifications of medium-term goals and objectives - Specification of development strategy - Priority setting - Fixing dimensions of target variables</p>	<p>1. Preparation of integrated "plans" for agricultural and rural development based on coordination of regional and local thrusts, priorities, opportunities and potential.</p>	<p>1. Preparation of local-level plans for agricultural and rural development emphasizing programmes and projects based on guidelines from the centre and intermediate levels.</p>
<p>2. Mobilisation and allocation of financial resources including financial transfers to states/provinces. - Policies and programmes for mobilisation of public and private savings, taxes and loans - Investment allocations in different sectors.</p>	<p>2. Preparation of programmes and projects in state/provincial sphere of responsibility.</p>	<p>2. Estimation of local production targets for agriculture and allied activities to aid decision making by the centre/state/province.</p>
<p>3. Drawing up of national plans and intersectoral allocations and deriving criteria and guidelines for state/province and central programming.</p>	<p>3. Drawing up regional and local production targets for agriculture and allied activities, based on iterative consultations and exchange of information.</p>	<p>3. Medium and minor irrigation other infrastructures, detailed planning and implementation.</p>
<p>4. Sectoral targets and policies such as for: a) Production and technology b) Production incentives (subsidies) to farmers c) Production or import of farm inputs d) Resource development and management</p>	<p>4. Implementation of land reforms</p>	<p>4. Identification of credit needs/credit planning.</p>
<p>5. Agricultural export targets and trade policies.</p>	<p>5. Programming of medium and minor irrigation.</p>	<p>5. Administering production incentives at farm level.</p>

6. Agricultural prices and incomes policy.
7. Food distribution planning.
8. Fixing of priorities and allocation of funds for special programmes for poverty eradication and people's participation and deciding weight to be given to equity aspects in programme formulation and regional development programmes.
9. Evaluation of plans/programmes/projects.
6. Area development projects
7. Monitoring/evaluation of regional plans/programmes/projects.
8. Mobilization of regional resources/funds.
6. Organizing various agri-support activities, e.g. markets for farm products, retail outlets for farm inputs; production credit; any other essential infrastructures.
7. Organizing extension services for agriculture and allied subsectors.
8. Planning and development of rural industries in the small-scale sector including village crafts.
9. Planning and implementation of rural public works.
10. Community development activities.
11. Health/family planning/nutrition.
12. Schools.
13. Other social services, e.g. drinking water supply, housing, sanitation, local transport, welfare programmes, etc.
14. Local government.
15. Training of local youth and upgrading skills of local population.
16. Locational planning for rural industries and social services.
17. Anti-poverty planning for rural households.
18. Mobilization of local resources/funds.

\* (i) In a federal setup, the State will also have some important policy-making functions.

(ii) How the various functions are discharged and how the 'downward linkage' to lower levels and upward communication flow to upper levels operates are discussed.



level in accordance with the approved operating plan and budget. Interagency coordination should be its special responsibility, as there would be several agencies operating in the agricultural and rural development sector for various purposes. The intermediate level is also the level which would coordinate all research programmes in the agricultural and rural development sector and see that all research results are duly integrated into the RIADEP. In this context, particular attention drawn to several attempts made by various national agencies in every country such as soil surveys, land use/land capability surveys, rural technology development, manpower surveys, remote sensing and air photo-interpretation, ground-water surveys, etc., the results of which are not often fully reflected in the plans prepared at the various levels. The efficiency of the intermediate-level body would consist in its establishing linkages with these numerous organizations and in its ability to utilize their research findings appropriately in the planning context. Another aspect of research integration pertinent to this area level is the integration of technology generation, verification, dissemination and transfer and the development of appropriate technological packages for the area. Manpower development and training programmes would also be the responsibility of this level. It may set up appropriate institutions for this purpose to function under its guidance. A special responsibility of the intermediate level would be the preparation of special programmes or subplans for target groups and problem areas and their integration in the regional plan. In this way, the distributional aspects of growth and the objectives of social justice and balanced regional development would be specifically taken care of at this level. Lastly, a very important task of the intermediate-level body would be to oversee, coordinate and monitor at the regional level, the operations and activities of the various participating agencies in agricultural and rural development planning, to review their performance from time to time and to institute corrective measures as necessary. To perform these tasks efficiently, the intermediate level must actively liaise with the regional offices and the ministries and agencies of the national government.

At the local level, the functions include the preparation of realistic local plans that emphasize programmes/projects based on an assessment of local resources and potential as well as on those needs expressed by the population; attention to the special needs of target groups; arranging for the delivery of various inputs and services equitably; organizing and managing extension services; and monitoring the progress of implementation.

Development plans cannot succeed without the full cooperation of the private sector. Therefore in the formulation of plans care must be taken to provide adequate incentives and sufficient flexibility for the private sector to

accomplish its envisaged tasks. The centre is to determine the overall role of the private sector, incorporate it in the development plans and provide guidelines in the subnational level in this respect. The subnational levels are to integrate the private sector more precisely at their levels under the guidelines formulated by the centre. The programmes/projects thus will become more realistic. In fact, the public sector plans/programmes/projects and policies in the agricultural sector are mostly directed to achieving production targets, by encouraging farmers to undertake appropriate measures.

The method of operationalizing these functions at central, intermediate and local levels is discussed in the next chapter. While operationalizing the decentralized planning system, each country must consider the various programmes/projects going on under each activity and classify them suitably against the different decision-making levels of the country, taking note of available capabilities for performance at those levels. When this exercise is carried out carefully, it will serve as a basis for the realistic assessment of the financial resources that should devolve to these levels to enable them to perform designated functions effectively.

#### Devolution of Funds from the Centre to Subnational Levels

Planning at any level without necessary financial resources and authority is an exercise in futility. In all countries, including the federal ones, most financial resources are mobilized by the central government which then distributes them to the lower levels. In a federal structure, the states have a right to certain shares in these resources and the constitution provides for the periodic revision of centre-state financial relations. In unitary systems, the financial resources of the provinces and the lower levels are received through the process of devolution. MLP processes are helped to the extent that the magnitude and rules for such devolution are clearly laid down and periodically reviewed.

Secondly, regional or area development also requires special allocations or funding, apart from a central grants-in-aid approach. A useful mechanism for the promotion and coordination of the development of disadvantaged areas and groups is the creation of a Centre of Special Funds and the laying down of clear guidelines for the acceptance or rejection of programmes/projects for financing from the funds. In general, a delegation of authority for disbursement should accompany funding, subject, of course, to limits and checks and proper auditing.

In the case of a transfer of resources from the national to the subnational levels, the objective is to nourish the planning and decision-making functions at the lower levels.

Such transfers must therefore be based on sound principles, subserving some of the important plan objectives of the country such as the achievement of balanced regional development and social justice. Countries that have experimented with financial decentralization methods have initially, determined the amount of 'divisible outlays' that can be allocated to subnational levels from the total developmental resources available at the national level. For this estimation, different approaches may be used. The divisible outlay may be arrived at as a residue, after subtracting the outlays needed for discharging essential national-level functions. An alternative procedure would be to provide for all subnational level development efforts first and to derive national-level requirements as a residue. The appropriate approach would be to conduct the exercise from both ends and ultimately to reconcile the figures. Then the divisible outlays would be disaggregated to the subnational units according to rational criteria. If this is done by dividing the total outlay among the number of subnational units on an equal basis, it would tend to perpetuate existing imbalances. Therefore weights are given for various factors such as population, area, relative levels of development and performance efficiency for each unit area in the country. The criteria, as well as relative weights must be determined for each country, taking note of its socioeconomic profile of development. It should be arrived at by national consensus. The criteria could be reviewed from time to time and tested for adequacy in a dynamic context. Once the subnational area-wide allocations are determined, a further break-down for the various sectors and subsectors could be attempted. To ensure that the agricultural and rural development sector gets a reasonable share of the outlay, suitable indicators should be built into a formula for allocation. The criteria could be various indicators such as cultivated area, multiple-cropped area, irrigated area, the proportion of people below the poverty line in the working force, the level of development of social services -- particularly in education, health, nutrition levels, etc. -- of the population.\*

#### Incentives to the Local Mobilization of Resources

One of the essential principles in planning from below is that the local community must be encouraged to generate some resources on its own, howsoever small they may be. This would lead to a sense of participation among the people and increase their motivation to help themselves as far as possible and to achieve a certain measure of self-reliance. In this way, it would be possible to augment resource transfers from the central government. In general, the local mobilization processes of a community are not generated spontaneously. Catalytic intervention of some sort is often a crucial initial step. One of the ways of motivating a community is to incorporate an incentive element in the resource transfer formula itself, such as a performance and efficiency criterion. Alternatively, a small part of the transfer could be earmarked

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\* Various procedures used for the devolution of funds in the countries discussed are stated in Chapters II and III.

for a matching contribution by the subnational community (i.e. an incentive grant). This method has been successfully used in some states in India (e.g. Gujarat).

#### Encouraging 'Localism' in Planning: Provision of Untied Funds

The object of decentralization to lower levels is to enlarge the scope for local-level decision-making. The resource transfers, etc., employed by governments must be seen as tools to facilitate this goal. The Indian experience has shown that most of the outlays that were transferred were preempted by line agencies for on-going projects/programmes, leaving very little scope for planning by the community. Some states in India have therefore separately provided for a small portion of free or untied funds to local communities. In this way it has been possible to place funds at the disposal of district planning boards to give them the opportunity to propose schemes of local importance. Such measures seem to have had a distinctly salutary effect in fostering capabilities and responsibilities to plan among local communities and appear to be worthy of emulation. The decentralized budget of Sri Lanka is also a block grant of this kind, providing for greater involvement at the local level in their utilization.

#### The Problem of Linkages

In view of the pivotal role of agriculture in developing countries, the relationship between agricultural (and rural) sector policies and overall social and economic development strategies are of fundamental importance. There is need not only for consistency in these relationships, but also for strong mutual reinforcement. Furthermore, there must be strong linkages between investment decisions on agricultural programmes and projects and sector-level policies. Thus policies on agricultural output and input pricing, and trade and exchange rates affect the costs and benefits and rates of return of investment projects.

The problem of linkages can be differentiated into the following types: (i) that affecting the sector-centre relationship (the so-called upward linkage); (ii) that between the sector and component programmes and projects (i.e. the downward linkage within the sector); and (iii) that between one sector and another sector (i.e. the intersectoral linkage). The last problem mentioned of intersectoral linkage is a difficult one which could be largely resolved through horizontal coordination at the various levels. For this purpose, suitable coordination mechanisms and iterative multilevel planning procedures are necessary. These are discussed later in this document. The problem of upward linkage between the sector and the centre is

also another complex problem because of many unresolved problems of intersectoral coordination and harmonization. On the whole, the problem can be satisfactorily tackled through the appropriate use of knowledge of the economy. As long as the centre receives an appropriately aggregated version of sectoral models, it can suitably adjust them through a process of iteration and mutual discussion to achieve the so-called optimizing plan. 3/

Downward linkage from the sector to component programmes and projects is easier to establish by using activity analysis and other programming models, or even non-formal methods. The impact of alternative sectoral policies can thus be assessed and of sectoral investment priorities identified. In general, the responsibility of sector-level authorities includes transmission downward to local levels of the guidelines and criteria for project and programme formulation and appraisal. The more important of these include the choice of a technological development model for particular crops, livestock or other activities; a pricing and trade policy; the likely demand and prices of agricultural products for export; the shadow prices of capital, foreign exchange and unskilled labour; an employment and nutrition policy; the weight to be given to equity in income distribution in the appraisal of benefits; the involvement of women; and people's participation in project implementation.

The problem of linkages -- upward and downward -- becomes more complex and difficult to resolve when it comes to regional or area development or area planning. That sectoral planning is not broken down area-wide or that sectoral priorities do not necessarily reflect local priorities in different regions pose very difficult problems to local planners as well as to those at intermediate levels. In general, the approach to resolving these problems has been through political pressure and administrative coordination. What may deserve greater attention are ways and means of achieving improved coordination and management.

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## Chapter VI

### DECENTRALIZATION OF MANAGEMENT AND ADMINISTRATION

#### Operational Issues in the Organization and Management of a Multilevel Planning System

An appropriate structure and effective coordination among its components are the basic ingredients of successful multilevel planning. The adoption and implementation of multilevel planning run into several operational issues of organization and management. Basically they relate to the problem of how best to structure a multilevel planning system and to link up its component parts, including its people. The main issues dealt with in this chapter are: task adoption among various area levels in the hierarchy; institutional arrangements for the organization of the planning process, including planning machinery establishment and capability development coordination and implementation management and public participation.

#### Task Adoption

Multilevel planning is a complex task. An effective way to organize its performance is to decompose it into various components to be adopted by different levels. This implies a clear delineation of the major tasks to be performed at each level, agency responsibilities, activity scheduling and personnel deployment. There is no hard and fast rule for sorting out the various responsibilities and finding the best way to assign them. It varies according to what is being decided, present circumstances, past experience, and the capabilities of the executives involved at the various levels. Tackling the division of responsibilities realistically in each country context is perhaps the best way.

The multilevel planning structure, as visualized in this document, at the subnational level includes an intermediate level and a local level besides the village level. Task adoption will have to be approached in this context. The role and functions of the centre, the intermediate and local levels in a multilevel planning system were discussed in the previous chapter. Certain organizational mechanisms and a planning infrastructure are necessary for effective performance.

At the national level, while the structure will differ, the effectiveness of the planning and development system will be determined by the extent and strength of its political linkage and multidisciplinary capabilities. Apart from this machinery, a high-powered advisory council is necessary where policy matters may be discussed and harmonized with the policy decisions of the government. For the agricultural and rural development sector, this could be a national advisory council for agricultural and rural development in which some enlightened farmers could also be represented.

At the intermediate level, the tasks involved are both planning and coordination. The planning function includes tasks such as resource inventory and analysis; the specification of a regional strategy, thrusts and priorities; determination of the intraregional allocation of funds; budgetary control; interagency coordination; the utilization of the findings of research bodies in planning; the preparation of special programmes (where necessary) for target groups and problem areas; and the monitoring of plans/programmes/projects. The mechanism to facilitate these tasks at the intermediate level may be a task force/committee for interagency coordination in agricultural and rural development set up within the organization for overall planning established at this level. In this task force/committee, all subsector departments and their agencies should be represented. This task force/committee would have a secretariat of its own with essential multidisciplinary technical staff.

The local level comes close to the people, where plans must be prepared to reflect local resources and potential as well as the needs felt by the population; extension services have to be organized and directed and the operations of various agencies in the delivery of agricultural and rural services and inputs have to be coordinated. Close supervision and control over the functioning of the various agencies must be exercised at this level. The organizational structure for this purpose could be in the form of an agricultural and rural development council (ARDC) which would be an arm of the local-level planning body. Various interests relating to agriculture, food, specialized commodity agencies (e.g. for cereals, cotton, tobacco, coconut, sugar, etc.), nutrition agencies, banking institutions, irrigation and public works departments, fertilizer and pesticide agencies, rural industry organizations, representatives of labour organizations, local government and accredited farmer organizations should be represented on the ARDC. The council would have its own technical team which would be assisted by the staff of the line departments and agencies in performing various tasks.

### Planning Machinery

The allocation of planning and decision-making tasks to the various subnational levels must be matched by a capacity to plan and coordinate. This calls for the establishment of a suitable planning machinery at the different levels.

At present in most countries agricultural and rural development activities are being handled by several departments, each with its own hierarchy. The important departments concerned are: agriculture, irrigation, animal husbandry, dairying, fisheries, forestry, rural industries, public works, cooperation, education, medical and public health, social welfare; local government, etc. Besides, there are some auto-



nomous agencies which perform certain special functions, e.g. the Land Development Corporation, the Input Supply Corporation and credit agencies. In some countries there are also other special agencies set up for particular programmes like the Small Farmer's Development Agency and Integrated Rural Development. Thus agricultural and rural development functions are highly fragmented among numerous departments and agencies. In most countries, the sectoral departments/agencies have their regional offices at the intermediate level which plan for their sectors. But the essential task of coordinating these plans and bringing them into a consistent regional framework, elaborating priorities, time sequence and locations would have to be done by a planning machinery located at the intermediate level. (See Chapter V).

To carry out these tasks effectively, a multidisciplinary technical team is needed at the intermediate level. In most countries, wherever a separate intermediate level planning body exists, it consists of a small team with a generalist, assisted by lower-level staff which is deficient both in expertise and strength. While the actual number and composition of a technical team must be decided by each country for its specific context and judging purely from job requirements, the planning team at this level could consist of a core staff assisted by specialized staff. The core staff of this team might consist of an economist, specialists in agriculture, livestock, forestry and fisheries, a civil engineer, a rural industrial planner and a credit planning officer. Wherever necessary, the core staff may be augmented by a few consultants/specialists during different phases of the planning exercise, according to area needs. The planning team may also obtain additional technical support from sectoral functionaries in the line departments. The planning team should be coordinated by an area coordinator who could be the economist of the planning team.

At the local level, action planning becomes the major thrust. In the agricultural and rural development sector, this would consist of activities such as project planning; farm/household-level planning; organization and arrangement for the timely mobilization and efficient delivery of inputs and credits; group organization and planning for the target groups and the communication of skills. In terms of planning/implementation personnel, it would need an agricultural planner/project economist, a sociologist and other staff, as required according to the special requirements of the area. At the local level, the emphasis should be on upgrading the skills of existing functionaries through on-the-job training. Where some supplementing of planning skills is required for short periods, it would be possible to obtain necessary assistance from the intermediate level planning body. For this purpose, the intermediate level planning body should be conceived as an 'experience bank' which can readily come to the rescue of the local level as needed. Such working relations for the optimal deployment of available personnel resources must be encouraged

and developed in a multilevel planning structure among the different hierarchical levels. This is necessary because in most developing countries today local levels are greatly handicapped either in finding suitable talents or in engaging full-time specialists on their teams.

It is also possible to envisage the same kind of mutual arrangement between the local level and its lower levels (the district and the subdistrict levels, for instance). A working group set up in India echoes this idea when it talks about establishing a 'peripatetic planning team' at the district level to assist in block- (subdistrict) level planning.<sup>1/</sup> Such a movement of planning personnel from higher to lower levels also ultimately helps in the harmonization of plans at various area levels, as it facilitates an easier flow of information among levels and permits effective forward and backward linkages to be established among programmes/projects at various levels with informed understanding.

### Training

For those functionaries engaged in development work, multilevel planning implies a major transformation. It means giving up some of their powers or command, adjusting to complementary roles and getting used to participatory procedures in planning. The only effective way that this can be accomplished is by repeatedly exposing functionaries to intensive training in multilevel planning principles and procedures as well as to their operational content. Many success stories in rural development have demonstrated that people are more critical than programmes. If this has any message it would be that greater importance should be attached to the training of personnel, particularly when the transformation envisaged is vital and revolutionary.

Training has to be considered at various levels and for various groups of functionaries. For this purpose, suitable institutions should be identified at the apex and other levels. To ensure that the training programme in multilevel planning is communicated as an intensive practical orientation, such training should preferably be seen as a research-cum-training programme. For the research component, the training institution may adopt an area as its laboratory and conduct various investigations and experiments in that area with alternative strategies and simulations of various kinds on a continuous basis so that enough practical experience will be accumulated. This may constitute valuable training material in the form of case studies and illustrative material. Using this material, trainees could be encouraged to perform various exercises based on the method of learning by doing.

Although there is quite a bit of experience with training programmes in every country and some specialized institutions for training have also emerged, there are not yet

sufficient insights as to the best ways of integrating training with applications in the regular departmental functioning of governments. Two methods are occasionally advocated.

One method is a comparatively long programme, ranging from four to six months in which trainees receive both theoretical and practical training. The practical training would be in the nature of a planning exercise in area development conducted jointly by the trainees for an area adopted by the training institution as its laboratory and for which investigations and data already exist. The practical constraint faced in this kind of training programme is its length. Many governments find it difficult to release functionaries for such long periods.

Alternatively, a method of discontinuous training -- 'a repeated contact approach' -- is advocated, in which trainees are brought to the training institution for shorter periods at repeated intervals. They are exposed to analytical techniques and to their practical and working applications. Then they return to the field (i.e. to their offices), apply this knowledge in their field area and go back for a second round of exposure and so on. The constraints in this method are the difficulty of establishing extended continuity of association with the trainees (some are transferred from the area) and the heavy demands for preparation and followup made on the faculty of the training institute. Thus the problems inherent in establishing appropriate training methods suited to multilevel planning are to be tackled in a more concerted way. Further experiments are necessary in this direction and the role of international organizations is also important.

Since 1983 FAO has been assisting the Government of Nepal in strengthening its planning and implementation capacity at local levels (i.e. regional, district and subdistrict) in line with the Decentralization Act passed by the national legislature in September 1982. For this purpose, a three-year training programme (1983-86) has been launched and is presently being implemented in collaboration with the Agricultural Project Services Centre (APROSC) of Nepal to provide on-the-job training to concerned government officials in two regions and eight districts within them. In addition, a self-instruction training manual has been prepared for use in training courses and seminars as well as for dissemination to concerned agencies.<sup>2/</sup> The training method followed here is the repeated contact approach with two contact periods together lasting four to six weeks. It is hoped that the experience gained through this programme will help to improve training methods for subnational level planners.

In addition to formal training programmes, other methods may also be tried for staff development in multilevel planning. One of them is a strategy of rotating technical staff among the different levels and training them on the job on an exchange

basis. Though methods of this kind may entail many problems of their own, including cadre, placement and similar problems, a changeover to a multilevel planning system demands several innovations and tactics, both of an orthodox as well as an unorthodox nature. It would demand great ingenuity on the part of governments to get a multilevel planning process started and their staff attuned to this new process. It cannot be over-emphasized that training, well handled, imparts a decisive momentum to a movement toward multilevel planning.

In the end, it is not merely officials who require training, but also those non-officials holding responsible public office at various levels, such as elected representatives, cooperative members and workers in voluntary agencies, etc. Multilevel planning seeks an integration of political authority with administration at the various levels. This integration would be greatly facilitated by training which can pave the way for attitudinal changes. Many governments are already thinking along these lines and are instituting training programmes/seminars to educate non-officials.

#### Data and Information Needs

The preparation of a macrolevel plan at the national level, a regional plan at the intermediate level and a local plan at the local level constitute the chain of planning activities in a multilevel planning system. The planning cycle includes the tasks of resource inventory and analysis, identification of projects, formulation of plans/programmes/projects, and monitoring and evaluation. Each stage of the planning exercise involves the collection and analysis of data. This data should be minimum, meaningful and relevant. Experience in developing countries shows that as one goes from the national to the subnational levels, the data available decrease both in terms of quantity and quality. As a rule, the data at the subnational levels in many countries are quite weak and inadequate for the planning needs at these levels. The changes in the orientation of development planning that have recently taken place (discussed in the introductory chapter) call for new kinds of disaggregated data of great reliability and authenticity. Country experiences reveal that there are several sources of data in each country such as the national statistical office, the central planning agency and its regional offices, sectoral ministries, and research and various other institutions, e.g. universities, farmer associations, cooperatives, rural industrial organizations, credit agencies, etc. There is a need to integrate available data from these institutions and agencies at each territorial level of decision-making and assess their usefulness, relevance and reliability. On the basis of such an assessment gaps should be identified and a comprehensive information system (CIS) that is valid, reliable, relevant, sensitive, specific and simple should be designed for each country. This is an urgent task for successful decentralized planning efforts in developing

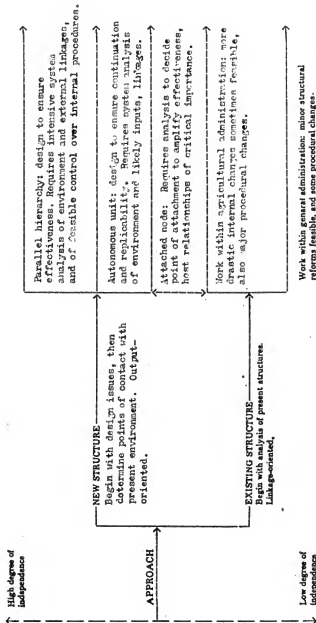
countries. International agencies could greatly assist developing countries in this regard, with both technical inputs and the physical infrastructure required for data handling.

#### Organizational Design and Coordination

In the decentralized management of agricultural and rural development sector, two sets of problems usually arise and call for careful thinking about alternatives to organizational design. One of these relates to the choice of organizational structure for a new programme, where the question is one of either setting up an administratively different system focused on the particular new function, or merging the targeted emphasis into the larger system. Usually the temptation to set up new organizations and create new instruments to perform tasks is strong among both administrators and technocrats. But there is a cost -- in terms of resources and time -- to be considered in adopting such a policy. New structures give greater independence but entail additional costs in duplicating infrastructures and time to produce an impact. Further, there is no guarantee that over time the deficiencies noted in an existing general administration system may not also appear in the new autonomous system as well. Also, when a unit is placed in an existing hierarchical system, it may not be able to function with flexibility. Potential alternatives are shown in Figure VI-1 arranged in order from those involving minimal change to those requiring a complete break, calling for the establishment of a parallel hierarchy.<sup>3/</sup> In terms of the degree of independence for action, it may be seen that the alternatives range from low to high.

The great operational problem in multilevel planning, however, regards effecting horizontal interagency linkages. This is a particularly important issue in agricultural and rural development planning because field enterprises in this sector often require more than one kind of technical support and weaknesses of horizontal coordination will have strongly adverse effects on development. The current organizational structure in the agricultural and rural development sector in most developing countries is a highly complex one, owing partly to the variations and additions superimposed on the basic structure and to the vertical and horizontal penetrations that have occurred between institutional levels. Today in most countries all levels show an array of interlocking structures for planning and implementation that are restricted to different sectors and subsectors. How to overcome the institutional and area fragmentation at the different levels, effect cross-functional linkages and promote area-wide development is a crucial question in multilevel planning.

Fig. VI-1 ORGANIZATIONAL ALTERNATIVES FOR NEW PROGRAMMES



Source: J.R. Moris: Managing Induced Rural Development, International Development Institute, Bloomington, Indiana, USA, 1981.

Coordination among different hierarchical levels in a multilevel planning structure can be brought about through interaction dialogue, an exchange of information and negotiation as well as through organizational devices. The second method of effecting coordination through institutional mechanisms will be discussed here. The first method of coordination, i.e. through communication and flows, is discussed in the following section.

The word coordination implies a type of superior-subordinate relations. The coordinating body must have the necessary degree of authority to make or bring about real choices from among alternatives, to merge as well as select from proposals and to enforce decisions. Without this power, coordination would mean only a process of loose aggregation rather than an integration of projects and programmes proposed by line agencies and local governments. To exercise leverage on the decisions of other agencies, the coordinating mechanism requires strong technical support built into its structure, which most coordinating mechanisms do not now possess (e.g. the regional development council in the Philippines, bappeda in Indonesia). Experience in several countries also shows that the effectiveness of coordinating mechanisms, wherever they have been created, depends on their ability to stay flexible and agile and to avoid threatening other agencies. The Venezuela Corporation for the Guyana and Brazil's SUDENG are examples of agencies whose longevity and effectiveness are attributed to their administrative style of anonymity, political neutrality and non-controversiality.<sup>4/</sup> The French technocrats have also considered it an asset for a coordinating mechanism to stay lean, non-coercive and non-threatening.<sup>5/</sup>

The concept of coordination in a multilevel framework calls for a special way of looking at the planning environment, a way that is comprehensive and yet capable of delineating the relationship of each part to other parts and of each part to the whole. This is often called the systems approach. It means being able to identify and relate the various parts of the planning area. Operationally, it means being able to create a relationship among various institutions, public and private, where each institution's effort complements the other's, and where total efforts contribute to the attainment of certain planning goals. This means making the departments of agriculture, natural resources, rural industries, infrastructure and social services of government work together. It also means making the public and private sectors work together to achieve common development goals.

The mechanisms of coordination suggested earlier for agricultural and rural development planning at the intermediate and local levels -- namely, task forces/committees or councils -- are in fact part of the larger coordination mechanism at respective levels and derive their power and authority from the way the overall coordinating mechanism has been constituted and

its politico-administrative linkages designed. Apart from the administrative powers, finances and functions devolved from higher levels to this coordinating body, the presence of a political authority is an equally important consideration. Some observers hold that the design of a political-territorial framework is essential to the strategy of implementation and coordination. According to one, 'in order for the regional level to exercise legitimate powers of coordination over districts, regional assemblies would have to be created with membership drawn by indirect vote'.<sup>6/</sup> Another remarks that 'a major issue that is raised in any approach where only administrative powers and functions are devolved from the national level (in this case the region), but not the political authority over major and substantive functions, is that it does not develop fully the capability of the regional and the local governments to perform functions crucial to their jurisdiction'.<sup>7/</sup>

The design and management of coordination functions should be effected at an early stage in the planning process and should involve all planning and implementing ministries and departments in order to preserve continuity. This means that coordination should be effected at the stage of plan formulation itself, i.e. when projects are being formulated by the various departments, so that it will be possible to create backward and forward linkages for projects and to ensure full interdependencies and complementarities. To seek coordination after plans or projects have been prepared is a futile effort.

Having stated some of the essential principles of coordination in multilevel planning, attention may now be drawn to some possible alternative models for this purpose.

Governments in developing countries have generally chosen from among four organizational design patterns for rural development planning, execution and coordination.<sup>8/</sup> These include:

Pattern A - Parallel programming and implementation by separate sectoral organizations that are weakly orchestrated by a national coordination body (Fig. VI-2).

Pattern B - A strong coordinating body with its own implementing arm (Fig. VI-3).

Pattern C - A strong coordinating body without its own implementing arm (Fig. VI-4).

Pattern D - A system based on a decentralized integrative executive framework (Fig. VI-5).

In Pattern A the coordination of rural development activities is assigned to a single ministry which ensures coordination through exchange and negotiation at the field level. Also at the national level, coordination would be achieved by a high-powered coordinating body.



Fig. VI-2 Pattern A: Parallel Programming and Implementation by a Separate Organization

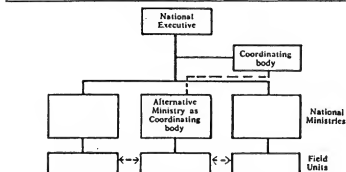
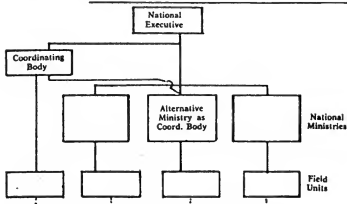


Fig. VI-3 Pattern B: Strong Coordinating Body with Implementing Arm



Solid lines represent formal lines of command; broken lines represent informal contacts between units.

Fig. VI-4 Pattern C: Strong Coordinating Body Without Implementing Arm

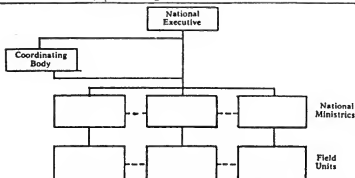
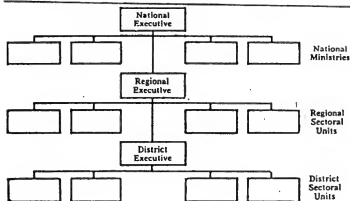


Fig. VI-5 Pattern D: Decentralized Integrative Framework



Source: United Nations, Department of Technical Cooperation for Development, (New York: United Nations, 1960).

In Pattern B coordination is multiple. Along with the assigned ministry, a central coordinating body would also carry out the coordinating function. Therefore the field units would be under a three-dimensional review, i.e. from their ministries to the ministry assigned to coordination and to the field offices of the central coordinating agency. Such multidimensional coordination, however, might create confusion, duplication and misunderstanding.

In Pattern C a central coordinating body ensures coordination from the centre as a directing and controlling authority, without having field- or regional-level offices. In most countries, such a pattern is widely practised.

In Pattern D a system is built on a decentralized integrated executive framework and may involve considerable administrative reforms and changes in structural arrangement. This system demands the consolidation of all government offices in each region into a technical team under the management, authority and control of a regional coordinator and the severance of hierarchical ties between national ministries and line officials in the region. At the lower level, identical steps would also be devised. This pattern integrates all development functions into one authority at certain levels under a single leadership which is duly accountable to the higher level authority. Pattern D has been applied to Tanzania.

Notably, coordinating structures are in the nature of a pathological response. The context is a determining factor -- perhaps the overall determining factor -- which designs, shapes and modifies the structure of any organization. But within these contextual limits, there are some opportunities for choice and variation. The alternatives discussed earlier indicate the range of variations possible for coordination mechanisms. Broadly speaking, the problem of coordination can be seen in two perspectives: the first through political reorientation and reorganization where a regional/local political structure is suggested; the other aspect is merely administrative or structural. The latter can be accomplished by designing a structural arrangement whereby an official at the level of programme execution is given appropriate authority, control and command over line officials. This approach is relatively easy to achieve and has been followed in several developing countries. The main limitation of this approach, however, is that it virtually ignores the dynamics of politics in the development process and emphasizes the role of administration. The first approach appears more democratic in its nature and content, while the other seems to be a mere administrative reordering. Choosing any of the approaches would depend on the existing political-economic, cultural and administrative conditions of a country, as well as upon the political philosophy of the government in power.

### Linkages, Communication and Flows

Multilevel planning involves the use of a systems approach. If the organizational structures devised at various levels constitute its skeleton, the planning activities are its flesh, linkages, communication and flows constitute its blood and guts. Without the latter, the system cannot function. Thus the planning process in a multilevel planning structure proceeds in a system of flows and interactions among the hierarchical levels. In fact, the efficiency of a multilevel planning process is determined by the intensity of these flows and interactions. (The bottom-up and top-down flows of this process were indicated in Figure V-1 and are not repeated here). Organizing these flows effectively implies multiple interactions and communication among levels which take on the character of an iterative process. For maximum effectiveness, it is better to use more than one communication net, such as the hierarchical group, the expert group, status group and friendship group. Most formal communication goes through one of the first two methods. The informal nets through status group, friendship group, etc., help considerably in preparing the ground for formal communications. Thus the exchange in a multilevel planning framework has to be through both formal and informal methods of communication. An immense amount of data transfers and estimation revisions on various matters can take place in this manner, e.g. an information exchange relating to output targets, material quotas, manpower requirements, financial allocations, preferred priorities, etc. This communication is two-way, so that the recipient is encouraged to intervene in the message for clarification or to ask questions. In this way, assumptions and plan magnitudes can be developed at both ends with mutual understanding. Such understanding will pave the way for consistency in planning. If the end product is to be successful, the participants in the planning process must operate in a highly flexible manner -- i.e. far from a neat and simple arrangement of systematized and routine interactions. The institutional mechanisms devised at the various hierarchical levels must therefore be designed for such flexibility.

### Administrative Decentralization

While the organizational structures designed at the various levels provide the essential planning and mediating links in a multilevel planning system, the extent of the delegation of administrative powers to these levels determines the relative success of performance. How much administrative decentralization or deconcentration should be provided to the different levels is a crucial question. While the central government should retain its 'command', the extent of supervision and control should be optimal. Sometimes this is called 'coordinated decentralization'. While decentralization promotes initiative, responsibility, the development of personnel, decisions close to facts, and flexibility, coordination

results in efficiencies and economies. The extent of control has to be determined very carefully, as increased efficiency does not necessarily occur with increased control. The kind of control that is advocated in this context is sometimes termed 'broad' or 'overall' control rather than detailed control. But at the same time, the accountability of subnational-level bodies in the responsibilities devolved to them must be fully ensured. The various aspects of administrative decentralization that deserve consideration in a multilevel planning context are itemized below.

a) Administrative and technical sanctions

The procedures for administrative and technical sanctions should be streamlined and simplified so that the usual procedures of referring a project repeatedly to various ministries and finance/planning departments for approval would be avoided. For the purpose of administrative sanctions, the plan should be considered sacrosanct. Once any project is included in the approved plan, the financial sanction would be presumed. Since no project may be included in the plan which does not have prior technical sanction, a separate technical sanction is not needed. This would mean that the departments at the subnational level must always keep a shelf of approved projects on hand, ready for incorporation in the plan at any time. Sanctioning procedures can be simplified further by permitting marginal powers to the subnational-level bodies to effect any changes in the project either in terms of design or costs by a certain percentage. If it is within the prescribed ceiling, no further reference need be made to higher levels. In this way, it would be possible to overcome the many delays that normally afflict project implementation.

b) Release of funds

A problem creating great difficulty in many situations is the long lag between the preliminary commitment of funds and their actual receipt in the field. The length and complexity of the funding chain are formidable in some countries. When multilevel planning procedures are adopted, arrangements may be made so that allocations reach the local level directly, bypassing all intermediate layers. For this purpose, the budgetary methods may need suitable alteration, as for example by introducing an area spatial budgeting system and ensuring accountability at the subnational level.

c) Intersectoral transfers and powers of reappropriation

No implementation machinery can be considered perfect. There are always lagging projects and leading ones

contributing to either shortfalls or an overfulfilment of targets. Taking note of the performance of projects, the authorities at subnational levels should be empowered to make any midstream changes needed as long as they do not upset plan priorities. This means that intersectoral transfers and powers of reappropriation should be permitted within certain limits. National governments should indicate such limits in their guidelines so that blockages do not occur during the plan implementation stage.

d) Personnel control

This is always a complicated problem in multilevel planning. Depending on the administrative setup and personnel system of a country, there may be at any particular level more than one stream of personnel to be controlled. One of these may be a set of personnel which is appointed by the area level and is controlled by it, both technically and administratively. There may also be a second stream consisting of staff belonging to the line agencies/departments seconded to the subnational level. This category of personnel is supposed to be administratively under the subnational-level authority, but may technically fall under their respective departments. In a situation like this, it is desirable to ensure the answerability of these officers to the coordinating bodies instituted at the intermediate and local levels. This is best done by considering these officers as being 'on transfer' to these bodies and vesting all their daily control in the organizations at the horizontal levels. This would also mean that their performance would be assessed by the coordinator at the subnational level. In this way, the horizontal coordination mechanism could be greatly strengthened.

Monitoring and Evaluation

The decentralized management of agricultural and rural development also implies that effective arrangements should be made to assess the progress of implementation and to take timely decisions to ensure that progress is maintained according to schedule. Monitoring assesses overall project effects, both intentional and unintentional, and their impact. One of the important functions assigned to the planning machinery at intermediate and local levels in the present scheme of multilevel planning is the effective monitoring of projects at their respective levels. Thus monitoring is a decentralized function, particularly since it is linked to improved management efficiency. It must therefore be integrated with the project management structure. While evaluation will draw on the data generated by the monitoring system it need not be decentralized to all levels. Because it would demand professional skills to interpret evaluation data and would also seek wider horizons requiring comparative

information, it may be envisaged as a centralized activity, with analytical capabilities pooled either at the central level only or also at regional levels, depending on country requirements. For instance, in countries with a federal setup, evaluation may have to be organized at each sovereign level. The performance of the monitoring function at either the intermediate or local levels of planning would be the responsibility of the respective planning teams recommended for these levels which can quickly collate, summarize and present the information to decision-makers.

Many United Nations agencies including FAO, IFAD, ILO, UNICEF, the World Bank, have issued monitoring and evaluation guidelines, handbooks, etc.<sup>9/</sup> IFAD has prepared and the ACC Task Force on Rural Development of the United Nations has adopted Guiding Principles for the Design and Use of Monitoring and Evaluation in Rural Development Projects/Programmes. This is an attempt to pull together common principles based on the monitoring and evaluation guidelines, handbooks and practices of the various United Nations agencies and organizations engaged in agricultural and rural development.

Monitoring and evaluation should not only be restricted to discovering the impact, effects and benefits of particular projects. While this is important, it is necessary in the context of multilevel planning to broaden the perspective of evaluation by inquiring into the impact of decentralized planning on the whole in bringing about social and economic change in the area, and particularly as to whether the processes of development have percolated evenly across rural areas.

While designing monitoring and evaluation systems for agricultural and rural development projects, the crucial issue of the variables or indicators to be measured within these systems should be tackled. The range of these indicators in the agricultural and rural development sector may fall in three broad groups, namely:

- a) Output indicators
- b) Economic indicators
- c) Quality-of-life indicators

National governments may issue detailed guidelines specifying appropriate indicators, indicating the sources of data from which they may be compiled as well as the kind of data handling and analyses necessary for their meaningful presentation to decision-makers.

## People's Participation

Multilevel planning marks a departure in the style of development from what is essentially a bureaucratic approach to an increasingly participatory approach. It provides an important channel for private sector participation. People's participation therefore constitutes an essential element of its software aspect. Participation can be spontaneous or induced, direct or indirect, complete or partial, organized or unorganized and intensive or extensive, depending on who organizes it, the level at which it is organized, how it is organized and the purpose for which it is organized. The planning process itself consists of several components or stages such as the formulation of objectives, research and survey, plan formulation, plan acceptance, implementation and evaluation. Participation at any particular level may be confined to any one or more aspects of this process, or it can encompass all aspects. In this way it may be partial or complete.

At the higher levels, like the national or even the intermediate level, participation will be more indirect, while at the local level, it will be more direct. Again, at the national and intermediate levels, participation would be of a consultative nature, whereas at the local level, participation should be seen both as the tool and goal of development, as it serves as a medium of social transformation and as a precondition for authentic development.

Like multilevel planning, people's participation is also a two-way process. While a government's willingness to permit and encourage public participation at different levels is no doubt important, this is not the only important precondition to ensure such participation. The people must also be willing and able to participate. People's willingness to participate will depend on whether they have the capacity to undertake the task, whether they consider that such participation will benefit them and whether -- in terms of certain sacrifices that they have to make such as time and energy -- it will be worth it. The Nepal experience of associating people in agricultural planning at the different tiers shows that participation cannot be assumed simply because the government has decided that it should occur (Chapter II). In this case, participation was not forthcoming, probably because the people did not have the necessary capacity to undertake the tasks expected of them and also because they felt that this was another top-down imposition. Thus it should be noted that interest and competence are relevant factors to be taken into account in public participation.

In recent years, another important dimension to participation has been added. This is the participation of the rural poor, arising from the realization that low-income, disadvantaged families are the neglected entities in the normal channels of public participation provided by Governments. It



is believed that the MLP approach will actually improve the effectiveness of all types of development, leading to greater efficiencies of effort and to increased social equity. This has led national governments and international bodies to devise new approaches to the participation of the rural poor in plan formulation and other stages of the planning process.

FAO is supporting pilot projects in several countries which help the rural poor to obtain loans, learn new skills and identify and use government services so that they can raise their incomes and improve their living standards. These projects operate by helping the rural poor form their own organizations, which are sometimes known as 'trust groups'. Initially these groups are informal, without any official or bureaucratic status. They are small, usually with about ten to fifteen members, and homogeneous, with all members from similar backgrounds or economic levels. To ensure that the project reaches the least-advantaged people, membership is often restricted to people living at a subsistence level, producing at least enough for their families, but without a surplus. To assist governments and implementing agencies, FAO has also prepared 'Guiding Principles for People's Participation Projects' covering design, operation and monitoring, and on-going evaluation.<sup>10/</sup> Although written specifically for pilot projects, the guidelines are useful in incorporating the participation of beneficiaries in any type of development project.

FAO has emphasized the need for developing and strengthening of the receiving/utilizing system among small farmers and peasants at the grass-roots level to enable them to take advantage of the facilities and services being made available by local delivery systems. Methods like decentralized field-level consultations, direct dialogue between concerned agencies and multilevel task-oriented communication methods devised for the purpose are discussed in the 'Small Farmers Development Manual', which may be usefully consulted by national governments.<sup>11/</sup> In various countries, several new approaches are also being introduced to give representation to the rural poor in various forms.

Country experiences indicate that the following modes of people's participation are possible: 1) participation limited to elites only (mostly elected representatives); 2) participation in which the people or beneficiaries are asked to legitimize or ratify projects identified and formulated by the government, but they do not actively participate in the detailed planning and management of the project; 3) participation in which the people are consulted from the very start and also actively participate in the planning and management of projects; 4) participation in which the representatives from different strata of society/occupation groups/beneficiaries find their places in all planning/coordination/evaluation mechanisms devised at the various levels, including the highest

policy-making level; and 5) participation in which the representatives enumerated in (4) actually control the decisions at all levels. Experience in the various countries shows that the modes of participation mentioned in (4) and (5) have not effectively materialized.

Other issues in the context of public participation are: On what issues should public participation be sought and when should they be sought. A round table organized by ESCAP in 1978 has observed that the people can make a significant contribution to the planning process only if they are presented a well-articulated and feasible framework of approaches, objectives, analyses and alternatives. 12/ Some areas identified on which the public could be consulted with advantage are: (a) assessment of the benefits and cost-effectiveness of on-going programmes; (b) effective measures for the further development of the area; (c) suggestions on assigning priorities in the plan; (d) location decisions for different programmes; (e) the identification of beneficiaries for a programme; and (f) the role to be assigned to different groups in implementation.

It appears from several experiences relating to participation that the development of readiness and skills for participation by the people in itself demands a 'participatory education strategy'. National governments should pay attention to this aspect of training intended to develop (a) skills in group work; (b) readiness for identifying one's own problem with those of the community and understanding community problems as his own; (c) focus on community thinking; and (d) skills in problem-solving and action-planning.

The kind of public participation at various levels demanded of a multilevel planning framework cannot be institutionalized overnight, nor can it be obtained through legislation. For workable and stable model for people's participation in a multilevel planning framework, it has to emerge in each country through a process of experimentation or trial and error.

### Costs

As discussed in this chapter the decentralization of decision-making in multilevel planning would imply the establishment of appropriate institutional and administrative mechanisms and a suitable planning machinery with multidisciplinary talents at the subnational level. It may even involve the strengthening of the planning machinery at the central level. The need for training and the requirement for data will increase with successive decentralization. The streamlining of coordination and communication among various levels will require more resources. Therefore each stage in multilevel planning will generally need additional funds. The cost involved is therefore an important consideration in the kinds of decentralization aimed at a particular time in a multilevel planning system.

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## Chapter VII

### SOME GUIDING PRINCIPLES FOR MULTILEVEL PLANNING

The last two decades have seen a mushrooming of alternative approaches, new thrusts, special strategies and a multitude of new programmes in the agricultural and rural development sector, all of which impinge on various subnational areas and levels in every country. Their proliferation and convergence have given rise to numerous problems besetting organizational pluralism, the efficiency of structures, the adequacy of trained manpower, and administration and management -- particularly coordination. The problems are mounting both in volume and intensity and call for distinctly expeditious and effective action. Indeed, it is important for developing countries to take stock and focus attention on their 'in-house' problems and to prepare themselves for streamlining the planning process at the subnational levels. Multilevel planning seems to be the imperative need of the times.

The discussion of the previous chapters has thrown up a range of ideas and country experiences in relation to multilevel planning. In this chapter an attempt is made to pull together these emerging ideas and to state some common principles of general validity for multilevel planning. These guiding principles should not be construed as detailed guidelines. As emphasized in this document several times, multilevel planning is country-specific and any detailed guidelines, handbooks or manuals for this purpose will have to emerge from the countries themselves to meet specific requirements. The guiding principles set out here seek to assist countries in this direction by drawing their attention to some basic concepts and certain general principles while constructing a practical framework within which a national multilevel planning system may be designed and developed. They are meant to be applied judiciously and modified or adapted to suit the specific needs and circumstances of a particular country. It should also be noted that there is no finality about these guiding principles. They should be kept under constant critical review and revised according to actual field experiences.

The principles have been set down under relevant broad headings. The presentation here is brief. (For elaboration, see relevant chapter.)

#### A. General

1. Planning seeks to introduce rationality into political decisions on development strategy. Multilevel planning should be developed in conformity with the political system of each country. However, appropriate checks and balances should be incorporated as much as possible.

2. Multilevel planning involves totality of the planning system with defined roles for the centre, state/province/region, district and lower levels.
3. For the agricultural and rural development sector, multilevel planning should be conceived within the overall mechanism for multilevel planning devised for each hierarchical level in a country. This overall mechanism of planning should have its linkages with the politico-administrative structure of the country.
4. Countries in the Asian and the Pacific Region differ widely in regard to their levels of development and the capabilities available for planning at the various subnational levels. These factors condition or determine the extent of decentralization feasible. In this context, a stages approach to decentralization would be best suited for developing countries, as it would be both realistic and dynamic.

B. Selection of Levels for Planning and Decision-Making

1. Multilevel planning is country-specific. The crucial levels for planning and decision-making for each country must be determined in the context of its political setup, administrative structure, its size and population and the broad nature of the farming system. Functionality, viability and administrative feasibility could be the major criteria for determining these levels.
2. The existing pattern of administrative structure in many of the countries in the South and Southeast Asian realm suggests that for effective multilevel planning, a three-tier structure at the subnational level consisting of an intermediate, local and village levels would provide a reasonably satisfactory multilevel planning framework. The intermediate and local levels should be suitably defined for each country.
3. The area levels chosen for planning and decision-making at subnational levels in countries differ widely in terms of population size. The need is being felt in some countries for creating an enlarged unit at the intermediate level -- termed division or region -- for better coordination and more efficient programming particularly in large countries.

C. Function-Sharing Among Levels

1. Smooth working in a multilevel planning system will depend on the clarity with which various planning functions are defined and classified against the various levels. In arriving at a decision in this regard, the geographic

scope (or command area) of each function and the administrative and technical capabilities available at each level to perform them effectively may be taken into consideration.

2. The nature of the functions that are amenable to decentralization of the agricultural and rural development sector from the centre to the intermediate and local levels has been indicated illustratively in Chapter V. These, in brief, are stated in the following paragraphs.
3. Function-sharing in multilevel planning must begin by accepting the essential overall role and responsibility of the centre. The role of the centre, is to be one of spearheading the planning and development process in a country by taking crucial decisions on the development strategy for the national plan, the design of the macroframework, the setting of priorities and policies, intersectoral programming, mobilization and the allocation of overall domestic resources and foreign aid, and the sponsorship of special programmes. The role of the centre in these matters is vital to the interests of national unity and integration, balanced regional development and special attention to the poor and weaker sections of the community.
4. Planning at the subnational level must be designed within the national plan framework. While subnational-level plans will reflect regional and local thrusts and priorities, they will be conceived as plans within the overall national framework and will not have the character of independent plans on entirely different premises. In this sense, subnational-level plans will accept guidelines from above and with added regional and local dimensions, concentrate on programming and project formulation.
5. The intermediate level under the overall guidelines provided by the centre and with inputs from the local level would specifically engage in: the preparation of a regional development plan and the coordination of local-level plans with the regional plan. The inputs from the intermediate level will have an important impact on the decisions of the centre.
6. The local level, while preparing local plans, would particularly concentrate on programming and project formulation and implementation under the direction/supervision of the intermediate level. The inputs from the local level would constitute the essential ingredients for the formulation of regional/national plans.

D. Financial Decentralization

1. The assignment of particular planning functions to area levels must be matched by an adequate allocation of financial resources to enable the performance of those functions in an effective manner.
2. The transfer of resources from the national to the subnational level must be based on sound principles and criteria in conformity with the important plan objectives of securing balanced regional development and social justice. In this context, weight may be given to various factors such as population, area, relative levels of development and the performance efficiency of each unit-area level in the country.
3. To encourage the local community to generate some resources on its own, suitable incentives may be provided. This may be done either by building into the formula for resource transfers a performance and efficiency criterion or by earmarking a small portion of the transfers for a matching contribution by the community.
4. The objective of decentralization to the lower levels is to enlarge their scope for local-level decision-making. If the finances transferred to the local levels based on the usual methods do not provide for some discretionary spending by the community, some additional funding in the nature of untied funds may be provided to the local levels, thus giving them some discretion to propose schemes of local importance.
5. Wherever regional and interpersonal disparities are disproportionately high, it may be necessary to create special funds for the promotion and coordinated development of disadvantaged areas and groups.

E. Planning Machinery

1. Each area level in a multilevel planning system should be equipped with a properly staffed planning machinery to perform designated functions. At the intermediate level, a multidisciplinary team is needed. This may consist of a core staff supplemented by consultants/specialists, as necessary. The core staff may consist of an economist, specialists in agriculture, livestock, forestry and fisheries. At the local level, the planning team may consist of an agricultural planner/project economist and a sociologist supplemented by other specialist staff as required. The role of the sectoral functionaries of the line departments is to assist the intermediate and local level planning teams in performing various planning tasks as necessary.



2. The intermediate level may be regarded as an 'experience bank' which can loan specialist staff to the lower levels according to requirements. In view of the acute scarcity of trained manpower in the developing countries and the need for an optimal deployment of personnel resources, a flexible arrangement for the movement of technical staff from higher levels to backstop the planning machinery at the lower level may be considered by governments.

F. Training

1. Training in multilevel planning for various categories of personnel, envisaged as a research-cum-training programme may be organized in appropriate institutions for each level of planning.
2. A number of experiments of a concerted nature would be required to establish and perfect appropriate training methods suited to the multilevel planning context. Perhaps the 'repeat-contact method' of training, currently being tried in Nepal, may be pertinent in this context.
3. Rotating technical staff at different levels and training them on the job on an exchange basis may also be worthy of trial wherever possible.
4. Training is also necessary for non-officials to facilitate attitudinal changes.

G. Data and Information Needs

As a rule, data at the subnational level in many countries are quite weak and inadequate for the planning needs at these levels. In tune with changing orientations in development planning, each country should review its several sources of data and build up a comprehensive information system which is valid, reliable, relevant, sensitive, specific and simple. International agencies could greatly assist developing countries in this regard both with technical inputs as well as the physical infrastructure required for data handling.

H. Organizational Structures for Planning and Coordination

1. To facilitate the planning and coordination of multilevel planning in agricultural and rural development, suitable organizational structures must be established at the various levels. This may consist of a national advisory council at the centre, a task force/committee at the intermediate level and an agricultural and rural development council at the local level. All these bodies must have the representation of relevant officials and non-officials. These bodies would function as part of the overall mechanisms for planning devised at the various levels.

2. The functional effectiveness of the above coordinative mechanisms will depend on the strength of the coordinating body which, in turn, depends on the pattern of organization, the line of command and linkages. Four alternative patterns of organization have been discussed in Chapter VI. The choice of the organizational pattern will depend on the country situation.
3. To ratify planning decisions and to secure the legitimacy/authenticity of the plan, a people's forum is necessary at every level of planning and decision-making. For harmonious planning, the people's forum and the official machinery for development administration must function together as partners geared to the same goal. What is required in this context is to design a joint system incorporating the different participants in the decision-making process (i.e. both elected representatives as well as officials) in a relationship of interdependence and with some regulating mechanisms. Such a development would be a matter of evolution.
4. The coordinative mechanisms devised should be clothed with adequate powers and authority to enforce decisions, but at the same time they should function in a non-coercive and non-threatening manner and without supplanting the roles of the agencies/departments being coordinated.
5. In a multilevel planning system, the goal is one of instituting permeative and cohesive planning and implementation structures. Thus fragmented structures are to be avoided. If for any special reason a new organizational structure is to be devised, such as for a special programme, the alternatives will have to be weighed carefully and the new structure conceived in the context of integrated area development programming and linked to the systematic subnational planning and development effort.

I. Linkages, Communications and Flows

1. The relationship between agricultural and rural sector policies and overall social and economic development strategies are of fundamental importance. There is a need for not only consistency in these relationships, but also strong mutual reinforcement. Various types of linkages such as centre-sector linkage (the so-called upward linkage), the sector-component/projects linkage (called downward linkage), the sector-sector linkage (called horizontal linkage), and the sectoral hierarchy linkage (called vertical linkage) must all be carefully visualized and provided for. Various methods such as the use of activity analysis and other programming models; the appropriate use of a priori knowledge of the economy;

adjustments and revisions through a process of iteration and mutual discussion; and the use of political pressure and administrative coordination are relevant in this context. On the whole, the ways and means of achieving improved coordination and management merit greater attention by national governments.

2. The flows constitute the life and blood of a multilevel planning system. These flows are organized as a two-way process. The top-down flows consist of policies/priorities, targets, guidelines, finances, administrative powers and instructions following review, evaluation etc. The bottom-up flows consist of data, on local needs and preferences, area priorities, area targets, feedback on the implementation of projects, and subnational level perceptions relating to problems and constraints, etc.
3. The efficiency of a multilevel planning process is determined by the intensity of flows of communication and interactions. For maximum effectiveness, more than one communications net -- such as hierarchical, expert group, status group and friendship group -- may be used. Communication should be two-way and the participants must be encouraged to operate in a highly flexible manner. Consequently, the institutional mechanisms devised at the various hierarchical levels must be designed for such flexibility.

#### J. Administrative Decentralization

1. In the multilevel planning context, a method of 'coordinated decentralization' is called for with the centre retaining its 'command', exercising optimal supervision and control over subnational levels and delegating various administrative powers and authority to the lower levels. With such delegation, the procedures for administrative and technical sanctions would be streamlined and simplified and problems relating to the timely release of funds and effecting intersectoral adjustments and the transfer of funds could be more effectively tackled.
2. The horizontal management of personnel who belong to vertical departments is another administrative problem needing to be handled in a multilevel planning context. For this purpose, the officers in the line departments must be made answerable to the coordinating agencies at intermediate and local levels, by considering them as 'on transfer' from their parent departments and vesting their daily control in the coordinating agencies.

K. Monitoring and Evaluation

1. Monitoring should be organized on a decentralized basis with evaluation being centralized at appropriate levels.
2. Monitoring should not merely be project-specific, but also designed to measure the impact of decentralization policies and programmes.
3. Suitable development indicators -- output, social and economic as well as quality-of-life indicators -- should be devised to measure changes in the agricultural and rural development sector.

L. Public Participation

1. Indirect participation of the rural people at the national and intermediate levels and their direct participation at the local level should be provided for. In such participation, representatives from different strata of society/occupation groups/beneficiaries should find their places in all planning/coordination/monitoring and evaluation mechanisms devised at the various levels and be able to control decisions at these levels. While seeking popular participation for any programme, the interest (i.e. willingness) and competence of the people should be duly considered and the design for participation accordingly fashioned.
2. The readiness and skills for participation by the people should be developed through a 'participatory education strategy'.
3. Public participation in planning and implementation should be institutionalized and operationalized for various levels for each country after going through a process of experimentation or trial and error.

M. Some Basic Actions

1. Moving toward improved multilevel planning in agricultural and rural development in any country calls for some basic actions by national governments. The basic principles postulated here need to be studied in each country's specific context. Imparting such country-specificity means that some may have to be elaborated in great detail; some may have to be deemphasized. Yet there may be a few others that may need to be approached in a totally different fashion than that illustratively outlined in this document. All these may need individual governments to set up their own working teams/task forces to firm up the detailed guidelines for multilevel planning in

agricultural and rural development appropriate to their context.

2. Improved multilevel planning also means greater capability-building among government functionaries at various levels. National governments may have to strengthen their in-service training activities to permit their officials to gain the necessary skills for undertaking various planning tasks.
3. As countries move toward improved multilevel planning, the methodologies and operational procedures they follow may need to be constantly and critically reviewed to enable the emergence of better methodologies, more effective procedures and tested patterns of coordinated development. National seminars, regional workshops and international colloquia may play a significant role in such achievements.

Extract from

"The Declaration of Principles and Programme of Action of the  
World Conference on Agrarian Reform and Rural Development: The  
Peasant's Charter", FAO, Rome 1981

Governments should consider action to:

- (i) Decentralize the decision-making process within the framework of national policy and promote local government institutions;
- (ii) Delegate to institutions of local government increasing responsibility for decision-making in rural development activities as well as in their implementation and evaluation;
- (iii) Promote people's organizations, including rural workers' associations and cooperatives to strengthen the participation of the rural poor in decision-making, implementation and evaluation of agrarian reform and rural development programmes.

Annex I (contd.)

Extract from "Report of the Expert Consultation on Multilevel Planning and the Two-way Process in Agriculture and Rural Development Planning", FAO, May 1983.

- 1) The Consultation noted that documentation on the state of the art of multilevel planning in the various countries was inadequate. Therefore, it was recommended that documentation and critical assessment of the experience gained in multilevel planning would be useful. FAO was requested to pursue this matter with the Member Countries.
- 2) The need for conceptual clarity in regard to many issues relating to multilevel planning was recognized. Some areas which would require investigation include: information requirements and their flow among various levels, institutional structures for multilevel planning, including participatory structures and monitoring feedback and impact evaluation mechanisms.
- 3) Since multilevel planning concept, techniques and procedures are not adequately understood, it was felt that one of the priority tasks of FAO would be to take steps towards the preparation of guidelines for this purpose.
- 4) It was noted that since multilevel planning is in an evolving stage, some countries may need technical assistance for operationalizing multilevel planning processes. FAO could usefully fill this gap.
- 5) Multilevel planning, being an innovation for many countries, it was felt that it should be vigorously promoted in the various countries of the Region. In this context, the great need for sensitizing the senior level planners and policy-makers was underlined. Workshops for this purpose by international and regional agencies could play a useful role.
- 6) The paucity of trained personnel to undertake the tasks of multilevel planning was keenly felt. It was therefore recommended that training programmes at various levels should be organized. Such training programmes should be better carried out as on-the-job training exercises for facilitating institution building and for preparing implementable plans at the subnational levels. FAO could take a lead in organizing such training programmes.

Stages Approach to Decentralization

Proposed for India

Stage I - Establishing prerequisites

(Initiation)

- i) Define scope of district planning and district sector schemes;
- ii) Disaggregate plan funds to district level;
- iii) Formulate criteria for interdistrict allocation of plan funds;
- iv) Strengthen planning capability at district level;
- v) Establish horizontal monitoring machinery at district level and link it vertically with monitoring mechanisms at higher levels;
- vi) Establish district planning board/council/committee with representation from the public;
- vii) Establish planning procedures for five-year plan (FYP) and annual plan budget (APB).



Stage II

(Limited  
Decentral-  
ization)

- i) Bring limited sectors of activity, e.g. MNP, agriculture and allied activities within the purview of planning at the district level;
- ii) Introduce the concept of free fund (untied funds). Encourage limited localism in district planning;
- iii) Improve multilevel resource allocation for development budgeting;
- iv) Provide extensive delegation of powers to district level including powers of reappropriation;
- v) Streamline procedures for dovetailing district plans into the state plan and for deriving APB from FYP.

State III

(Final)

- i) Enlarge localism to cover decision-making in all district sector activities;
- ii) Introduce administrative reform to delegate all decision-making powers to district level;
- iii) Encourage and provide for high level of popular participation;
- iv) Adopt budgetary practices that encourage local initiative;

- v) Render functionaries of development departments accountable to the district planning body;
- vi) Prepare forward (perspective) plans to guide FYP and APB;
- vii) Improve and strengthen local governments;
- viii) Evolve healthy relationships between the political executive and the normal government bureaucracy.

